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UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Librarians' daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 41.

Section 1.

November 18, 1921.

Taxation Disregarding the expressed wish of President Harding, the
Legislation House Nov. 17 voted, 201 to 173, to accept the Senate amendment to the tax revision bill, fixing the maximum income surtax rate at 50 per cent on incomes of \$200,000 or more. (Assoc. Press, Nov. 18.)

Railroad S. Davies Warfield, president of the National Association of
Legislation Owners of Railroad Securities, warned the Senate Interstate Commerce Committee Nov. 17 that a reopening of the whole question of Government ownership of railroads would result from Congressional action limiting the rate-making power of the Interstate Commerce Commission. (Press, Nov. 18.)

The Freight Commenting editorially upon the announced cut of 10 per cent
Rate Cut in the freight rates on all agricultural products, decided on Nov. 16 by the Association of Railway Executives, The New York Times to-day says: "The vital interdependence of rates and wages, the need of co-operative action on the part of the Interstate Commerce Commission and the Railroad Labor Board, and the national, in opposition to the class, interest in the reasonable lowering of railway labor wages to correspond with the deflation of other wages and prices, will impress themselves more strongly than ever upon the public mind. The merchant, the farmer and most laborers have had to take their medicine. Why shouldn't the railroad men take theirs? At any rate, there will be a six months' course in freight rate reduction. If the farmers are the special beneficiaries, the whole country will have some material share in that benefit; and the educational value of it as an economic demonstration will far exceed that."

The Washington Post to-day says in an editorial upon the same subject: "The announcement by the railroads of a 10 per cent reduction in freight rates on farm products will be hailed with general approval by the people of the United States. It will have a tendency not only to decrease the cost of food and stimulate the marketing of grain, live stock, & c., but will prove a very important step toward the normal conditions so essential to the stability and prosperity of the nation... The experiment about to be ventured takes on great importance. If the loss of railroad revenue is compensated for in the form of increased traffic in farm products, it may be assumed that the same policy can be safely applied to other lines of industry, with comparative certainty that reduced rates will not reduce net operating revenues."

Section 2.

Agricultural
Financing

The War Finance Corporation has approved forty-eight advances, aggregating \$2,074,000, for agricultural and live-stock purposes, in Missouri, California, Arizona, Kansas, Montana, South Carolina, North Carolina, South Dakota, North Dakota, Nebraska, Illinois, Texas, Wisconsin, Georgia and Iowa. (W. F. C. press statement, Nov. 17.)

Agriculture 1.

"Marketing of agricultural products has proceeded rapidly during the month of October. This has had a beneficial influence in stimulating the activity of important lines of industry and trade. The higher prices realized by the farmer for tobacco and cotton and from heavy sales abroad of cereals have given him ready cash and have brought him into the market for purchases of seasonable goods, with corresponding benefit to trade in the producing regions. Improved collections and the reduction of outstanding loan accounts have followed in the train of this renewed activity. The beginnings of improvement are noticeable, even in portions of the country such as some of the southern and southwestern districts where credit conditions have been more serious than elsewhere... The better conditions in the agricultural districts, accompanied by improved buying and demand and the enlarged activity in marketing, have naturally been reflected in increased activity of wholesale trade..." (From review of business, industry and finance, October, 1921, in Federal Reserve Bulletin for November.)

2. "With wheat bringing only 75 or 80 cents on the farm, while corn is being used for fuel because it cannot be sold, and hogs, cattle and cotton selling at less than cost of production, the farmer's predicament is one that calls for the attention of thoughtful men everywhere. In the cities there are numberless organizations whose purpose is to make urban and industrial life more attractive. A hotel bootblack now makes more money and lives with less toil and in greater comfort than the man who owns and cultiv^{es} ^{at} 160 acres of land. Unless some way is speedily found to correct this inequality agriculture will become a lost art, for it will be abandoned to the ignorant and unenterprising residuum of the population who haven't the wit or the energy to detach themselves from the land... If it were not for the threatened agricultural depression it would be unnecessary to qualify one's optimism, and it is to be hoped that some way may soon be found to make the farmer a participant in the prosperity which those whose work is in the cities enjoy." (Commerce and Finance, Nov. 16.)

Cotton

"Bankers, merchants and producers of the South are called upon to unite in a movement to withdraw all cotton from sale either for present or future delivery until shorts are forced to cover and spinners to pay 'a reasonable price,' in a statement issued Nov. 16 by W. B. Thompson, chairman of the Louisiana division of the American Cotton Association. 'And as a corollary to this movement,' Mr. Thompson urges, 'that cotton interests unite in determining and enforcing a sane agricultural policy for next year by the planting of one-third of the farm's acreage in cotton and the balance in sustaining crops.'" (N. O. dispatch to N. Y. Daily News Record, Nov. 17.)

Cotton
from Egypt

A complete and satisfactory understanding has been reached with Liverpool lines covering both direct and indirect shipments of Egyptian cotton, according to Vice President Love, of Shipping Board. (Press, Nov. 18.)



Cotton
Market

"The cotton market has suffered a serious decline lately under the pressure of active bearish endeavor, fortified by enforced revision of estimate of supply, owing to governmental admission that the sensationally small figures officially promulgated at the beginning of October were erroneous. Crop estimates are being generally increased, and the disposition now is to adopt figures as much too high as those prevalent six weeks earlier were too low. Regardless of academic discussion as to its exact size, it must be admitted that we have to deal with an amazingly small crop, of inferior spinning quality. Whether it is 7 1/2 or 8 millions is of small consequence. The rate of takings more than justifies the conclusion that by the end of this season the supply of good spinnable cotton will have been reduced to a dangerous minimum... The world is bare of cotton goods..." (C. P. Ellis, New Orleans, in Commerce and Finance, Nov. 16.)

Dairy
Industry
in the
South

"Dairy Industry Gaining Notably in the South" is the title of an article by Craddock Goins, in Manufacturers Record for Nov. 17. In this the author states that a survey of the dairy industry in the South reveals facts "very encouraging to those hopeful for the expansion of this important business pursuit." He says in part: "Dairy progress in the South stretches over a span of thirteen years. The outstanding point is not so much the increase in the number of cows as the increase in quality... The present point of advancement is due to the farmers who have learned that the two pursuits need not necessarily be separated. From this start as a home industry strides now are toward dairy development of great magnitude. It is being carried out with widespread cooperation... The Government and the state agricultural colleges have been most helpful... From recent report it is learned that during the year 1919 approximately 10,000,000 pounds of butter was produced by ninety-odd creameries in the South. Thirty of the fifty-odd cheese factories in the mountain sections produced nearly 500,000 pounds of cheddar cheese. It is estimated that there was an increase of over 50 per cent in dairy cattle from 1907 to 1920. No other section of the country has approached this rate of dairying progress."

Farmers'
Union
Reelects
Barrett

Charles S. Barrett, of Union City, Ga., was unanimously reelected president of the National Farmers' Union at the annual convention at Topeka, Kas., Nov. 17. (Press, Nov. 18.)

Federal Re-
serve Board
Rulings

Rulings of the Federal Reserve Board are published in Federal Reserve Bulletin for November. The statement containing the rulings says in part: "After having the matter under consideration for a considerable time, the Board recently ruled that notes of corporations or associations engaged in packing and marketing citrus fruits should not be classed as agricultural paper eligible for discount with maturities up to six months, but should be classed as commercial paper which may be eligible with maturities not in excess of ninety days..."

Milk
Marketing

W. A. Simpson, a Washington milk distributor, before the special House subcommittee investigating the milk situation in Washington, testified Nov. 17 that he is making net profits of \$200 a day and that he and four other members of his family receive salaries from the business aggregating about \$37,000 a year. (Press, Nov. 18.)



Price
Data

Provision for Government dissemination of cost and price data relating to the basic producing industries of the nation is the "only" alternative to the licensing or nationalization of those industries, Huston Thompson, chairman of the Federal Trade Commission, declared an address at Atlantic City, Nov. 17 before the American Specialty Manufacturers' Association. Increasing agitation among the consumer of the country will compel the adoption of one of the latter two courses, Mr. Thompson asserted, unless industry can be brought to see the wisdom of falling in line with the movement to give the consumer the protection of cost information... (Assoc. Press, Nov. 17.)

Prices

The National City Bank of New York, in a lengthy review on "Freight Rates and the Farmer," contained in its monthly Letter for November, states that "Deere & Co., of Moline, Ills., one of the oldest and most reputable concerns manufacturing agricultural implements, have sent us copies of a letter received by them from a farmer living in the neighborhood of Culbertson, Neb., and of their reply thereto, which set out graphically present relations between the prices of farm products, prices of manufactured goods and transportation charges, and the effect of these abnormal relations upon business..." The farmer's letter quoted is in part as follows: "I need a wagon and my dealer wants the price of 650 bushels of corn, the same wagon I could buy with 200 bushels of corn before the war. The harness man wants the price of a wagon load of hides for a No. 1 harness. I simply cannot see my way clear to buy wagon, harness or anything else that I can possibly manage to get along without." The review, after reprinting the dealers' detailed reply, quotes Professor Warren's calculation, recently published by the Department of Agriculture, of the purchasing value of the principal farm products, measured in other staple products and compared with their purchasing value in the same products before the war.

Waterway
Transporta-
tion

The New York Times Nov. 17 says in an editorial entitled "A Wild Project": "The Great Lake-St. Lawrence-to-the-Sea Canal project rests largely upon a skillfully conducted propaganda and the easily tickled imagination of the Middle West. Governor Miller's speech before the Atlantic Deeper Waterways Convention at Savannah yesterday compares the cold facts with the ardent fancies of the projectors and propagandists. The Government engineers have estimated the cost of a 25-foot canal and a dam to produce 1,464,000 horsepower at \$252,788,200 and the cost of the annual upkeep at \$2,562,000. This is 'the initial project.' These estimates would undoubtedly be greatly exceeded, probably by 25 per cent., if the project were carried out. The cost to the United States alone of this preliminary project would be more than \$150,000,000... The people of New York have spent some \$165,000,000 on the Barge Canal... As Governor Miller says, all the Western grain that needs a water outlet can be carried on the Barge Canal. There is no real danger that commerce will be diverted from this port. Its natural advantages are too great. New York and New Jersey are associated to modernize and develop its terminal facilities. By whatever states supported, the Great Lakes-to-the-Sea Canal would be, so far as the United States is concerned, gigantically extravagant and of strictly limited utility.

Wool in
Texas

The mohair crop of Texas and more than 500,000 pounds of Texas wool have been sold by the Southwest Wool and Mohair Growers' Association of Texas Farm Bureau Federation, (Press, Nov. 12.)



Section 3.

Department of
Agriculture

The Rural New Yorker for Nov. 19 says in an editorial: "One of the most dangerous proposals now under discussion in Washington is that of transferring the Bureau of Markets of the United States Department of Agriculture to the Department of Commerce. If this is done, it means that the great value of the Bureau of Markets will be practically lost to the farmers of America, for if the bureau is put with the Department of Commerce it will be dominated by men thinking in terms of commerce and not in terms of agriculture.' We agree fully with that statement by the Progressive Farmer. It would be far better to group all the business activities of the Department of Agriculture into one bureau and develop it as a large enterprise. Call it the 'Bureau of Farm Business.' Keep it away from the Department of Commerce. If it ever gets under the wing of that department it will dry up and blow away. 'As a man thinketh so is he.' Thinking about agriculture in terms of 'commerce' would inoculate it with the germs of dry rot."

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 17: Early advances in the Chicago grain market ran into selling and prices declined, Chicago December wheat closing at \$1.05 3/8; Chicago December corn unchanged at 48¢. Export and milling demand quiet. Corn demand from seaboard continues brisk; cash market strong. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.23; No. 2 hard winter wheat \$1.06; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.00 3/4; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market fairly active, bulk of sales \$6.50 to \$6.75. Good and choice shipping steers higher; medium and good beef steers \$5.75 to \$10.25; butcher cows and heifers \$3 to \$8.75. Fat lambs \$8.25 to \$9; feeding lambs \$7.40 to \$8.40.

Potato markets slow and weak. Prices at shipping points: New York Round Whites slow and weak at \$1.70 to \$1.80 per 100 lbs. sacked. Maine Green Mountains in bulk down 5¢ at \$1.46 per 100 lbs. New York Danish type cabbage up \$2 at \$40 per ton bulk.

Eastern hay markets continue dull with prices fairly steady. Rain curtailing movement to central western markets where light receipts are causing firm prices with an active demand. Mill feed offerings light; demand slow. Prices irregular in distributing markets; firm in western markets.

Butter market easy. Imports include small quantities from Denmark, Ireland and Canada. Argentine butter expected in December. Cheese market has more or less unsettled undertone. Weather affecting domestic production.

Spot cotton declined 4 points closing at 16.63¢ per lb. New York December future down 8 points at 16.80¢. (Prep. Bur. Mkts & C.E.)

Industrials
and Railroads

Nov. 17: Average closing price 20 industrials, 77.07, as compared with 74.36 corresponding day 1920; average closing price 20 railroad stocks 74.20, as compared with 77.20. (Wall St. Jour., Nov. 18)

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Vol. III, no. 42.

Section 1.

November 19, 1921.

Corn-Belt Advisory Committee

The War Finance Corporation Nov. 18 announced the membership of its Corn-Belt Advisory Committee, as follows: Hon. Warren T. McCray, Governor of Indiana, Indianapolis, Chairman; E. T. Meredith, Publisher of Successful Farming and former Secretary of Agriculture, Des Moines, Iowa, Vice-Chairman; J. R. Howard, President, American Farm Bureau Federation, Chicago, Illinois; Edward Chambers, Vice-President, Atchison, Topeka & Santa Fe Railroad, Chicago, Illinois; Alexander Legge, General Manager, International Harvester Company, Chicago, Illinois; Charles Brand, Urbana, Ohio; Lloyd S. Tenny, Assistant to the Chief, Bureau of Markets and Crop Estimates, U. S. Department of Agriculture, Washington, D. C., and C. H. McNider, President of the First National Bank, Mason City, Iowa. The committee will now proceed to establish headquarters in Chicago, from which place its work will be directed. The Committee will endeavor to obtain the cooperation of the banking organizations and banking institutions generally throughout the corn belt for the purpose of providing adequate financing for the orderly marketing of corn and the feeding of live stock. It was agreed by the committee and the directors of the War Finance Corporation that existing conditions warrant the granting of liberal credits to assist farmers in storing corn for orderly marketing and in purchasing feeder live stock through loan companies and banks. The corporation already has been engaged in making advances on a considerable scale in the live-stock sections and in the corn belt. A better price can be obtained for corn, under prevailing price levels, by feeding it to live stock than by selling in the market under present conditions. (W. F. C. press statement, Nov. 18.)

Packer

Employees

Reduce Wages

Employees of Armour and Co., 26,000 in all, Nov. 18, through their plant-governing committee, agreed with officials of the packing house that a wage reduction is necessary and fixed its amount. The cut is effective November 28. Yesterday officials of Swift & Co. announced that the representatives of the Chicago assembly of employees had voted that a readjustment of wage was necessary, had extended a vote of confidence in the management and had voted to leave the wage readjustment to the discretion of the management. Reductions for various classes of employees of the Chicago assembly practically corresponding to those fixed by the employees of Armour & Co., and effective on the same date, November 28, were then announced by company officials, who said they expected the other 16 assemblies of employees to take similar action. Swift & Co. also announced that the Omaha assembly had voted to accept a wage cut, but had not specified the amount or how it was to be determined. Employees of Wilson & Co., and the Cudahy Packing Co., who are holding plant conferences, are (Cont'd on page 2.)

Packer Em- (Cont'd)
 ployees Re- expected to accept similar reductions. Morris & Co. has announced
 duce Wages that it will follow the example of the others. All of the big five
 except Morris & Co. last spring inaugurated the "plant congress"
 system of employees' participation in the management of the industry. Yesterday's
 action, officials said, marked a departure in American industry. Officials of the
 company say they suggested no figure for the proposed reduction. The employees'
 representatives called for the books and from the company's financial showing fig-
 ured out the reduction, which was adopted. (Assoc. Press, Nov. 19.)

Tax "The Senate amendment proposing to increase the maximum inher-
 Legislation itance tax rate from the present 25 per cent on estates valued at
 \$10,000,000 or more, to 50 per cent on those of \$100,000,000 or
 more, was knocked out of the tax revision bill Nov. 18 by House and Senate conferees.
 This amendment formed a part of the compromise revision program brought forward by
 the Senate agricultural bloc, and agreed to by Republican leaders." (Assoc. Press,
 Nov. 19.)

Farmer for Under an amendment to the Federal Reserve Act introduced in
 Reserve Board the Senate Nov. 18 by Senator Smith, of South Carolina, the next
 appointment to the Federal Reserve Board would have to be made from
 among the farmers. (Press, Nov. 19.)

Freight Senator Hitchcock Nov. 18 proposed an amendment to the rail-
 Rates road debt bill providing that none of the funds appropriated shall
 be utilized unless the railroads agree to carry out the order of
 the Interstate Commerce Commission reducing rates on hay and grain. (Press, Nov. 19.)

Section 2.

Agrarian Bloc "The 'Farm Bloc' Again" is the title of an editorial in The
 and Taxation Philadelphia Ledger to-day, which says in part: "When President
 Harding has a sleepless night, it probably arises out of the doings
 of the 'farm bloc.' The other day this western group in the House
 took the bit in its teeth and ran away from the Harding program af-
 fecting the surtax on incomes. The Senate had days before bowed to
 the same forces. The Harding letter of appeal asking a compromise
 rate of 40 per cent has been ignored bluntly, even as the Senate
 ignored the White House signals of distress when it raised the rate
 from the House-Administration figure of 32 per cent... It mattered
 not to the men from the West. They read the presidential appeal,
 but they hearkened to the warnings of the farm organizations, voted
 their geographical convictions and the Administration sank back to
 nurse its raw places and bruised spots. Hadnot the more or less
 embattled farmers issued their orders? The embattled farmers had.
 This, the most stinging defeat of the Administration, emphasizes one
 of the several dangers of a top-heavy majority..."



Agricultural
Research

"Agricultural Research Waning" is the title of an editorial in the Nebraska Farmer for Nov. 19, which says in part: "Our agricultural experiment stations should be able to help effectively in solving the problems of agriculture in the coming years. The need for scientific research and experimentation in agriculture is just as great as it ever was, if not greater. One of the most important phases of the reconstruction period which we are about to enter will be application of new principles, efficiencies and economies which will result in a lower cost of production level, not only for manufactured products, but for agricultural crops as well. This means that the farmer, in addition to following his products farther along the route of distribution and eliminating needless in-between and speculative charges, which is most urgently necessary now, also will have to be up on his toes in operating his farm with the greatest efficiency and maximum production per man and machine. Particularly will it be advisable to increase yields and quality through the use of improved varieties of crops and better cultural methods, which it is within the province of our experiment stations to discover and make of practical application..."

Agriculture

"What We Have Achieved so Far" is the title of a brief summary of legislative accomplishments in the interest of farmers, by Gray Silver, in Successful Farming for November. In this Mr. Silver reviewing recent legislation states that he looks upon the past eighteen months as perhaps the most important to the farmer, in a legislative way, of any similar period that has transpired in the last quarter century.

Federal Reserve
System Rates

"To the Reserve System credit is due for justly easy rediscount rates. It has responded to the strain of crop-moving with a loan rate of four and one-half per cent at New York and a rate nowhere else higher than five and one-half. It has disproved the necessity for a paradoxical belief that money should be most scarce at that precise season when sales are heaviest..." (Wall St. Jour., Nov. 16.)

Freight Rates

"Freight Rates on some commodities have been reduced. Dairy-men in particular will be interested in the preference shown the bogus butter. These products are imported from far eastern countries. They are brought to the Pacific coast and then carried to interior points by rail, where they are manufactured into these bogus dairy products... Somebody has been powerful enough to bring pressure on the railroads to get these materials that make bogus milk and bogus butter into the hands of these manufacturers of bogus products at the lowest possible cost, thus to increase the output and sale of these butter and milk impostors." (American Agriculturist, Nov. 12.)

Grain Rules

"Radical changes in the rules of grain exchanges to comply with the Capper-Tincher bill are being prepared, it was announced Nov. 18, following a meeting of representatives of leading exchanges of the country before Chester Morrill, assistant to the Secretary of Agriculture." (Chicago dispatch to Phila. Ledger, Nov. 19.)

Live-Stock
Marketing

1. "A Businesslike Report" is the title of an editorial in Orange Judd Farmer for Nov. 10, which refers to the report of the Committee of Fifteen on Live-Stock Marketing.

•Live-Stock
Marketing

2. "The second great forward step of organized grain and live-stock farmers in handling and marketing their products cooperatively is the plan of the Committee of Fifteen, recently completed and submitted to representatives of live-stock producers for ratification at Chicago last week. The plan was adopted unanimously, after a two day session by the fifty-six delegates representing all the live-stock production interests of the United States... Upon the National Livestock Producers' Association rests the greatest task in the proposed plan for perfecting additional economies in the marketing of live-stock, particularly in establishing a system of orderly marketing, stabilized markets, standardized methods of shipping and accounting, adjustment of claims, and the collection and distribution of accurate live-stock market news. That will be a real job, but of immeasurable value in correcting the present marketing evils." (Nebraska Farmer, Nov. 19.)

Milk Price
in N. Y.

The December price of fluid milk delivered to dealers in the 200-210 mile freight zone will be \$3.37 per 100 pounds, 3 per cent butter fat, the same as in November and October, the Dairymen's League Co-operative Association announced Nov. 18. (N.Y. dispatch to press, Nov. 19.)

Section 3.

Department of 1.
Agriculture

- "Under the plan to reorganize the departments of Government at Washington, it has been suggested that the Bureau of Markets be transferred from the Department of Agriculture to the Department of Commerce. This suggestion (it is nothing more) has raised a general protest from farm papers. If the Bureau of Markets can be made to function better under the Department of Commerce there is no reason why it should not be placed there. Sentiment should have no place in the reorganization now in process. But this fact will not prevent a fight to keep the Bureau where it is. From its inception it has been the teacher's pet of the Department of Agriculture. It is the agency through which propaganda for experiments in business is spread. Its agents have been active in organizing legitimate concerns. It is inoculated with the cooperative bug, and economic cooperation is as foreign to the spirit which has brought this country prosperity and development during its brief existence, as socialism is opposed to the form of government conceived by the framers of our constitution... It might be that the Department of Commerce would see no difference in the principle of marketing farm produce and farm implements, and that would be far from satisfactory to the farmers." (American Elevator and Grain Trade, Nov. 15.)
2. "In Defense of the Boll Weevil" is the title of an editorial in Wall Street Journal for Nov. 17 which, after recounting the extent of the weevil's ravages as recently reported by Senator Smith of South Carolina, says: "Readers may believe that the Senator takes a wrong view when he says that the battle of experts under direction of the Department of Agriculture is up to this moment without appreciable effect. Research work is the function of these experts. To the planter they are like a board of strategy in wartime. Their studies of the boll weevil have resulted in a mass of information which will be of incalculable value to the country if the planters will use it."

Department of 3.
Agriculture

"A Salary Joker" is the title of an editorial in Successful Farming for November, which says: "A joker was slipped into the packer control bill which prevents Secretary Wallace paying over \$5,000 a year for any man connected with the enforcement of the packer control law. On the other hand, the U. S. Shipping Board is allowed to pay \$35,000 a year for a man who is supposed to be an expert in shipping affairs. Secretary Wallace is to go up against corporations capitalized at millions of dollars and put very cheap men in to control the packers! No doubt the Secretary will do the best he can within the law, but why this discrimination between controlling the big packers and controlling the shipping interests of the Government-owned boats that are being sold out?... We predict that even Wallace's \$5,000 man will be heard from favorably. The fight is not ended yet. The joker may be repealed. The worm will turn some day if the farmers will give it a twist."

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 18: Wheat firm on buying induced by reports of crop deterioration in Australia. Corn trade limited; largely influenced by wheat. Cash market strong with good demand. Chicago December wheat higher at \$1.08 3/8; Chicago December corn higher at 49¢. In Chicago cash market: No. 2 red winter wheat \$1.21; No. 2 hard winter \$1.09; No. 2 mixed corn 51¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 35¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.00 1/2¢; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market higher, bulk of sales \$6.65 to \$6.85. Beef steers and butcher cows and heifers steady to strong; medium and good beef steers \$5.75 to \$10.25; butcher cows and heifers \$3 to \$8.75. Light and medium weight veal calves \$4.75 to \$8.25. Fat lambs \$8.25 to \$9.

Potato markets dull but nearly steady. Prices at shipping points: Maine Green Mountains \$1.41 to \$1.46 bulk per 100 lbs. New York Round Whites \$1.70 to \$1.80 per 100 lbs. sacked. Danish cabbage \$37 to \$40 bulk per ton.

Hay market practically unchanged. Receipts light except at Kansas City where record sales for crop were reported. Market active at Chicago but receipts increasing. Feed prices strong; offerings light; demand poor. Cottonseed meal supplies normal for this season of year. Supplies at present in excess of demand.

Butter markets very weak. Fair demand for high grades; all other grades dull. Cheese markets quiet with more or less unsettled undertone.

Spot cotton up 2 points at 16.65¢ per lb. New York December future up 9 points at 16.89¢. (Prepared by Bur. Mkts. & Crop Est.)

Industrials
and Railroads

Nov. 18: Average closing price 20 industrials 76.94, as compared with 73.12 corresponding day 1920; average closing price 20 railroad stocks 74.43, as compared with 75.97. (Wall St. Jour., Nov. 19)



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Vol. III, no. 43.

Section 1.

November 21, 1921.

Tax Legislation Completing their revision of the tax bill, House and Senate conferees Nov. 19 agreed to a corporation income tax rate of 12 1/2 per cent, the figure fixed in the original House measure. This is an increase of 2 1/2 per cent over the present rate, but is 2 1/2 per cent less than the figure agreed upon by the Senate. Republican leaders are hopeful that the final step in the enactment of the tax revision bill can be taken in time to permit Congress to end its special session Nov. 23, as planned. (Press, Nov. 21.)

Transportation Legislation Hearings on the Capper bill, designed to repeal the 5 1/2 per cent rate-making provision of the transportation act, and also the section giving the Interstate Commerce Commission control over intrastate rates that discriminate against intrastate commerce, probably will be resumed Nov. 22, it was declared by Senate leaders yesterday. Meanwhile members of the Interstate Commerce Committee, conducting the hearings, are making a thorough digest of the statements of Edgar E. Clark, for fifteen years chairman of the commission, interpreting the meaning of Congress, in enacting the provisions now under attack. (Press, Nov. 21.)

Packer Wage Reduction The Washington Post to-day says in an editorial: "The action of the shop committees representing employees of Armour & Co., Swift & Co. and other packing houses in voting to reduce their own wages voluntarily will be observed with the keenest interest by the public. It is realized that the real test will come when it is discovered whether the majority of such employees will accept the reductions decided upon by their committees, for this is a novelty in American industry. The plan upon its face appears to be too idealistic to be practical, but it must be remembered that in this new era many ideals are being crystallized into actualities, and this may prove to be one of them. The packers invited the shop committees to inspect the books and learn all the facts about the business. Upon the information they thus obtained they were expected to take action which would reduce the cost of production and enable the packers to operate at a profit. No suggestion was made to them, it is stated, as to the amount of wage reduction they should take, but the figures were laid before them and they themselves were invited to readjust pay rates. Since the employees are to a large extent stockholders in the packing plants, the employers asked them to share the responsibility of management. If this experiment should prove successful, it will mark a very advanced step toward harmonious relations of employer and employe in industry and will demonstrate the possibility of mutually advantageous cooperation."

Section 2.

Cheese in
Denmark

"For many years the main interest of Danish dairying was centered in the production and export of butter. Of late, however, the manufacturer of cheese has come to play an increasing part. Cheese was originally regarded as a by-product, only important because its production found use for the residual skim milk. Now, however, conditions have changed. Many dairies have begun the manufacture of cheese, and they have learned to produce an article which by virtue of its quality has already made this branch of the industry a paying one. ... The provision of a good article has not only won the home market for this domestic product, but has also secured an export of considerable dimensions." (Danish Foreign Office Journal, October.)

Cotton

1. An editorial in The Wall Street Journal for Nov. 18, entitled "A Danger to Cotton," calls attention to "the most dangerous cotton pest in the world, the pink boll worm." After quoting from official statements of the Department of Agriculture upon this subject, the editorial continues: "In a study of the insect, by W. D. Hunter of the Bureau of Entomology, ... it is said that the pink boll worm is the most serious pest of the cotton plant in the world. ... There is no reason to suppose it would not maintain itself in the United States. ... More than a quarter of a century ago the boll weevil appeared at one spot in Texas, near the Mexican border. It didn't look dangerous then to people in Georgia and South Carolina. But now it is entrenched in the entire cotton belt and has inflicted losses almost too great to be calculated. That conference at Dallas on December 2 will consider a greater matter, one that may affect the industrial structure of every state in the South."
2. "A great deal of the South African cotton has been too short in staple for Lancashire spinners, but a product from Rhodesia has lately appeared that is being compared to the Texas variety. It is 1 1/8-inch staple, according to The London Times Trade Supplement, and has only the drawback of being slightly tinged. It is stated that the price is lower than that of Texas cotton of 1 1/8-inch staple, 'points on' being less onerous. The importation of this long-staple cotton from Rhodesia is of much interest as foreshadowing great possibilities of development in cotton growing in South Africa." (N.Y. Times, Nov. 21.)

Cotton
Exports

Exports of cotton and cottonseed oil advanced sharply in volume but declined in value in October, as compared with the same month a year ago, according to foreign trade reports issued Nov. 20 by the Department of Commerce. Cotton exported in October amounted to 374,000 bales, valued at \$91,028,000, compared with 583,000 bales, worth \$91,247,000, a year ago. For the ten months ended with October the total was 5,000,000 bales, valued at \$408,000,000, against 4,000,000 bales, worth \$252,000,000. Cottonseed oil exports for October aggregated 10,000,000 pounds, valued at \$931,000, against 7,000,000 pounds, worth \$1,000,000, during the same month last year. For ten months cottonseed oil exports totaled 230,000,000 pounds, valued at \$22,000,000 against 120,000,000 pounds, worth \$26,000,000, in the same period of 1920. (Press, Nov. 21.)

Crop
Marketing

Members of the Gleaners' Clearing House Association, in annual meeting at Cedar Rapids, Mich., Nov. 19, announced the intention of withholding their crops from the market until more favorable prices prevail. (Press, Nov. 20.)

Dairy
Product
Prices

"There are those who feel that if the dairy industry can be properly organized, the price of all dairy products can be controlled. With a large number of men engaged in the production of milk this, to us, is an impossibility. The consumer to a very large extent will regulate the price of dairy products and all farm organizations can do is to sell their products at a price that the consumer will pay for these products. ... Through organization the dairy farmer can market his products efficiently and prevent, to a large extent, the middleman from receiving too high a toll for handling his products. If it is found that the supply of dairy products keeps the price below cost of production when proper methods of marketing are followed, the farmer would be required to sell some cows in order to decrease the supply of dairy products. The low producing cow creates the surplus dairy products and depresses the prices. She causes losses in that she doesn't return cost of feed consumed and by lowering prices of dairy products produced by all other cows." (Hoard's Dairyman, Nov. 18.)

Filled Milk

"'Filled' milk carried through to the end would empty the dairy business. The manufacturers blandly state that the sale of these 'filled' compounds creates a market for skim-milk. What they mean is that the skim-milk creates a market for cocoanut oil. They do not want to say what they mean, for you can deceive people with the word milk far more easily than with oil. It is a great scheme to skim off the part of milk which contains most of its vitamins, and substitute a substance which carries no vitamins at all." (Rural New-Yorker, Nov. 19.)

Freight
Rates

"Railroad rate reductions on agricultural products, both the general decrease of 10 per cent announced by railroad executives this week and the greater percentage decreases ordered throughout the West on grain and hay by the Interstate Commerce Commission last month, were left in considerable confusion Nov. 18 on the official records. The commission decided that the hay and grain schedules should be reduced by Nov. 20 by amounts equal to one-half of the increases allowed the roads in 1920. None of the railroads, it became known, has filed new tariffs, and at the same time it is understood that the western carriers will seek to have the flat 10 per cent decrease voluntarily decided upon by the railroads for all agricultural products to constitute the only reduction on grain." (Phila. Ledger, Nov. 19.)

Prices

A slight recession in wholesale prices was indicated during October, the Department of Labor announced Nov. 19, the decline representing a little more than 1 per cent, in the "weighted index number" by which the Bureau of Labor Statistics measures the level of prices. For the first time since June, the statement said, farm products showed a net decrease, due to the drop in prices of corn, wheat and other grains. Retail food prices, the statement said, dropped three-tenths of 1 per cent in October, 28 of the 43 articles included in the "weighted index" showing decreases of from 13 per cent for potatoes to 1 per cent for bread, baked beans and other articles of average diet. (Press, Nov. 19)

Russian
Finances.

A new state bank was opened Nov. 18 in Moscow with a full staff of old-time banking officials and clerks. It so happened that the date was exactly four years from that on which the Soviet government nationalized and took over all the Russian banks. (Assoc. Press, Nov. 19.)

Section 3.

Department of 1. "A True Friend of the Farmer" is the title of an editorial in
Agriculture to-day's Wall Street Journal based upon certain specific statements made recently by Secretary Wallace regarding "the very bad relation between prices of farm products and prices of other things, including wages." The editorial says in part: "... The farmer has acquired further reasons for praying that he may be saved from his friends. His friends in Congress profess to help him by punishing the rich man for being rich, and the farmer does not see that this policy of folly can not be achieved without reducing the number of consumers of the farmer's products. But the farmer has some real friends. The Secretary of Agriculture, Henry Wallace, is one of them. ... It is clear, from what Secretary Wallace says, that he realizes that the farmer, in higher freight rates, in higher prices for everything he consumes, is maintaining an uneconomic scale of wages against himself. The railroads are making all the concessions in freight they can, this side of bankruptcy, but they cannot give the farmer cheap rates and pay the men war wages. ... Secretary Wallace, inadvertently, no doubt, overestimates what may be called the wages of capital. With the present great burden of taxes the net wages, the income return, are so low that adventure and enterprise are paralyzed in a way the country has not seen since the lean years following the panic of 1893. ... Secretary Wallace realizes that the interests of the financial center and those of the fundamental and life-giving industry of the soil are one. ... Perhaps finance and agriculture, our two vital interests, can work together for good. If it were only a matter of the good sense of the Secretary of Agriculture the end would be achieved. But does the Congress now in session hold out any such hopes? The very quackery it is talking was an exploded fallacy in 1896."

2. "Packer Retailers" is the title of an editorial in The Ohio Farmer for Nov. 19, which says: "For many years there has been a consistent effort to clip the power that is claimed to be wielded by the packinghouse interests, especially the so-called Big Five. Much of this effort has been devoted to limiting their operations because it was claimed that too much power was centralized in the hands of a few men. There is no denying the fact that the packinghouse interests are powerful, but it may seriously be questioned that this power is habitually misused. ... The packers fought hard to prevent the inauguration of the Government inspection of slaughtering operations. They fought harder to prevent the passage of the recent acts to place the packinghouses and stockyards under Government supervision. But these regulatory measures have become laws and there is every reason to believe that the industry will be benefited. Last week the Government reversed its usual procedure, when, instead of placing limitations on the activities of the packers it formally requested them to extend their operations and establish retail distribution in towns and cities in order to shorten the road to the consumer and bring the retailers to realize that the war is over and that they must reduce their margins. As might have been expected, the packers did not rush to respond. They naturally hesitate in view of the restrictive attitude of the Government in the past. The mere request, however, may result in retail meat cutters also cutting their prices so that the people will eat more meat. The real purpose is to help the producer by increasing the demand for meats and enabling packers to pay more for live animals, at the same time reducing the cost of living. ... All would be steps in the right direction."

Section 4.
MARKET QUOTATIONS.

Farm Products

During the week ended Nov. 19 the wheat market was uncertain and closed lower, but corn was high on good domestic and export demand. Milling and export demand for wheat showed improvement at times, but liquidation and weakness in northwest, rains in western Kansas where drought prevails, and lack of support were overcoming depressing factors. Chicago December wheat made a net decline of $1\frac{1}{4}\%$ closing at \$1.08; Chicago December corn up $1\frac{3}{4}\%$ at 48 $\frac{5}{8}$.

Chicago hog prices down 35 to 50¢. Choice and prime heavy weight beef steers generally steady; plain heavy steers and grassers down 25 to 50¢ butcher cows and heifers steady to 25¢ lower; veal calves down 50¢ to \$1. Fat lambs and yearlings declined 25 to 50¢; feeder lambs steady.

Potato markets dull and weak; demand and movement slow; shipments light. Apple markets dull; demand moderate. Onion markets dull; demand slow. New York Danish cabbage higher at shipping points and consuming markets.

Butter markets easy and unsettled; demand for high grades fair; all other grades dull. Imports included small quantities from Denmark Ireland and Canada. Cheese markets quiet with more or less unsettled undertone. Small quantities of Canadian cheese still arriving but Canadian market now reported firm.

Hay markets practically unchanged. Receipts light except at Kansas City where record sales for crops were reported. Storms causing light receipts at Minneapolis. Feed prices firm; demand light; offerings increasing. Cottonseed meal supplies in excess of present demand; prices easier. Production of corn feeds good; demand unchanged. Alfalfa meal dull; production light.

Spot cotton advanced 41 points closing at 16.78¢ per lb. New York December future up 1¢ at 17.15¢.

Nov. 19: Wheat trade narrow and nervous. No activity in foreign demand at seaboard. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.21; No. 2 hard winter wheat \$1.09; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in Central Kansas for No. 2 hard winter wheat 92¢; to farmers in Central Iowa for No. 2 mixed corn about 34 $\frac{1}{2}\%$.

Chicago hog market higher, bulk of sales \$6.70 to \$6.85. Cattle and sheep prices practically unchanged. Medium and good beef steers \$5.75 to \$10.25; butcher cows and heifers \$3 to \$8.75; fat lambs \$8.25 to \$8; feeding lambs \$7.40 to \$8.40; fat ewes \$2 to \$4.25.

Potato markets generally slow and weaker. Prices f.o.b. shipping points: Maine Green Mountains \$1.36 to \$1.41 bulk per 100 lbs.; New York Round Whites \$1.70 to \$1.80 sacked per 100 lbs. New York Danish cabbage \$40 to \$43 bulk per ton; Wisconsin \$40 to \$45. Massachusetts Yellow Globe Onions reached season's high point at \$5.50 per 100 lbs. sacked. Butter markets very weak. New Zealand butter being offered; shipment of Australian reported en route to San Francisco. Spot cotton advanced, closing at 16.78¢ per lb. New York December future up 26 points at 17.15¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Nov. 19: Average closing price 20 industrials 77.06, as compared with 74.03 corresponding day 1920; average closing price 20 railroad stocks 74.58, as compared with 77.46. (Wall St. Jour., Nov. 21.)

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UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Librarians' daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 44.

Section 1.

November 22, 1921.

Tax Legislation

By a vote of 232 to 109 the House Nov. 21 approved the tax revision bill as rewritten in conference. The measure immediately was sent to the Senate, where it will be taken up to-day, with Republican leaders determined upon its final enactment in time for the ending of the special session of Congress Nov. 23. (Assoc. Press, Nov. 22.)

American Farm Bureau Federation

The American Farm Bureau Federation gained 227,878 members during 1920 and now numbers 967,279. J. W. Coverdale, of Chicago, executive secretary, reported to the federation's third annual convention at Atlanta, Nov. 21. County farm bureaus included in the organization number 1486. Receipts from January 1 to November 1 totaled \$273,674.28 and expenditures \$239,997.85. Secretary Coverdale told the convention that effort was being made to eliminate breakage of eggs in transit on railroads, causing an annual loss of \$5,000,000; to get faster train service on live stock and to persuade carriers to increase their supply of refrigerator cars. (Press, Nov. 22.)

Freight Rates

A positive order was issued Nov. 21 by the Interstate Commerce Commission requiring railroads to put the approximately 16 per cent decrease in hay and grain rates into effect on or before next December 27. The order follows up the decision given Oct. 20 by the commission which declared grain and hay rates from the Mississippi Valley to the Pacific Coast unreasonably high, but which did not carry compulsory orders. The October decision instructed the railroads to make the reduction by Nov. 20, which was done because the railroads opened negotiations with the commission suggesting that a 10 per cent decrease in freight rates on all agricultural products be substituted for the larger decrease on grain products and hay alone. The order issued Nov. 21 made specific and definite the hay and grain reductions. The original decision said railroads should reduce the rates on the products concerned by one-half of the increases given in 1920. The commission Nov. 21 ordered hay and grain rates between points in mountain-Pacific territory at not more than 12.6 per cent above the rates in effect before the 1920 increases. Between points in the western group, as defined in its decision where 40 per cent increases were allowed in 1920, the commission Nov. 21 ordered them made effective as 20 per cent. Between other western group points the commission held rates shall not exceed 17.5 per cent above the old schedules, and between points in the mountain-Pacific group and points in the western group the increase above the old 1920 schedules shall be held to 16 2-3 per cent. The effect of the order Nov. 21 is to make specific the percentages of reduction in the territory concerned. The commission also reiterated its decision requiring the roads to fix rates for coarse grain such as corn at 10 per cent less than the rates on wheat. (Press, Nov. 22.)

Section 2.

Agricultural
financing

1. The War Finance Corporation has approved seventy-six advances, aggregating \$3,187,000, for agricultural and live-stock purposes, in Idaho, Montana, Wyoming, Arizona, Missouri, Kansas, Nebraska, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, Mississippi, Georgia, Texas, North Carolina, South Carolina and Florida. The corporation also has approved an advance of \$350,000 to an exporter in Virginia of cotton for export, and an advance of \$42,726 to an exporter to assist in financing the exportation of sugar mill machinery. (W. F. C. press statement, Nov. 21.)

2. Total agricultural loans by the War Finance Corporation under the amendment of August 24 last amounted to \$30,572,327 on Nov. 16, the Congressional Joint Commission of Agricultural Inquiry was informed Nov. 19. This was on loans on which the money had been paid over, it was explained, and included \$15,825,415 on cotton; \$1,976,368 on grain; \$3,165,383 on live stock, and \$8,834,159 for other agricultural purposes. The total loans approved, which means loans on which the money has not been actually paid, but is subject to the order of the borrower, amounted to \$95,214,500, of which \$44,050,000 was on cotton; \$26,500,000 on grain; \$5,920,016 on live stock, and \$18,714,844 for other agricultural purposes. Loans amounting to \$3,363,567 have been made to cooperative associations without bank endorsement, and \$2,275,575 to live stock companies without bank endorsement. The major portion of these loans has been made within the last three weeks. (Press, Nov. 20.)

California
Citrus
Fruits

Shipments of California citrus fruits totaled 60,147 carloads and returned \$83,537,344 to growers in the year ended Oct. 31, according to the report of C. H. Powell, general manager of the California Fruit Growers' Exchange. The crop was the largest in history. Of this total, 48,350 cars comprised oranges and grapefruit and 11,797 cars lemons. The report states that California produces enough lemons to supply normal requirements of the United States and Canada. The industry has its eyes on foreign markets and has sent investigators to the chief countries. One of the largest undeveloped outlets for oranges and lemons lies in the commercializing of lemonade and orange juice, in the opinion of the exchange. Research workers are preparing and perfecting such beverages. (Press, Nov. 22.)

Cooperative
Marketing

"The members of the Pacific Northwest wheat and hay pools are beginning to find out the unfairness and some of their inconveniences to them. In the Washington Hay Growers' Assoc'n, for example, the penalty for outside selling of \$1 per ton has been raised to \$5, for obvious reasons. By his contract the grower accepting this penalty gives the association also power to mortgage his hay in order to obtain the money which would enable it to make advances to himself, the Association taking title to the hay immediately it is harvested and requiring the owner to obtain a permit before he can either move the hay or use any of it to feed to his own stock. ... The Washington-Idaho Wheat Growers' Association pool, Manager Jewett has told a member, has no power to cancel a contract or to vary the member's obligation under it in any respect whatsoever. ..." (Price Current-Grain Reporter, Nov. 16.)

Corn Prices

"Our Corn Problem" is the title of an editorial in The Wall Street Journal for Nov. 21, which says in part: "At present prices the more corn a farmer raised the worse off he is. Corn selling at around 46 cents a bushel in Chicago while millions of people on the other side of the world are crying for food is a pitiful exhibition of the world's disorganization. Theorizing will not help the unfortunate farmer who has to face the actual situation. ... While garment workers are striking, the Nebraska farmer must give five acres of corn for a most ordinary suit of clothes. A small farm would be necessary to clothe an average family, without saying anything about the tax collector, the landlord, the hired help, the grocers and implement dealers. Nebraska winters call for fuel. Shall it be coal mined at extortionate rates or corn that sells for less than cost? Corn at 20 cents a bushel is equivalent to coal at \$10 a ton. The preference, therefore, is for corn. It must be burned though others starve. These facts should show how low corn is in comparison with other commodities. It has deflated far faster than the products of industrial labor. But telling the farmer that fact will not help him. What he wants to know is whether his corn will be worth hauling to market...."

Cotton

American shippers will get 50 per cent of the direct and indirect Egyptian cotton shipments to the United States, according to the Liverpool shipping agreement concluded with the U. S. Shipping Board. The agreement will cover two crop years. (Press, Nov. 22.)

Freight
Rates

The Transcontinental Freight Bureau, Nov. 19 announced rate reductions on lumber, shingles and lumber products from Pacific coast points to the East and New England. The Interstate Commerce Commission has been asked to authorize publication of the new tariffs. (Chicago dispatch to press of Nov. 21.)

Hog
Marketing

"It is time to lay plans for an 'Eat More Pork' campaign. Constructive suggestions will be welcome. Should action be taken through the American Farm Bureau Federation or through the Department of Agriculture? Perhaps the pure-bred hog men of Iowa should initiate the movement. At any rate, let's begin to get busy boosting for 'Eat More Pork' in the same enthusiastic way that California boosts the eating of 'sun-kissed' oranges. Every farmer, merchant, banker and manufacturer in Iowa can afford to get behind such a movement." (Wallaces' Farmer, Nov. 18.)

Live-Stock
Marketing

In an editorial on the acceptance of the report of the Committee of Fifteen, Wallaces' Farmer for Nov. 18 says: "It is to be expected that that new live-stock movement will meet much the same kind of opposition that the U. S. Grain Growers, Inc., has met. The National Farm Bureau has learned much, however, since launching the U. S. Grain Growers, Inc., and it is to be expected that the new National Live-Stock Producers' Association will be in much better position to meet criticism than the Grain Growers. For the first few years the National Live-Stock Producers' Association will direct its attention chiefly to forming cooperative commission firms. After these are firmly established attention will be directed more and more to the really big problem which is orderly marketing."

Rice

The drop in the rice market of the last two weeks from \$5.40 to \$4.75 has been occasioned in part by low offers of Japanese buyers and desire of millers to do business with them. (Press, Nov. 22.)

St. Lawrence
Waterway

The International Joint Waterways Commission will meet in Washington on Dec. 7 to complete its final report on the practicability, from both an economic and engineering standpoint, of deepening the St. Lawrence River to permit passage of ocean vessels to the Great Lakes, according to an announcement in the press of Nov. 22.

Tariff
Legislation

"Valuation Plan Indignation Growing" is the title of an editorial in Chicago Journal of Commerce, Nov. 18, which says in part: "As the time passes the indignation over the fatuousness of this extraordinary feature of the bill increases and men of affairs and letters - merchants of matter of fact minds, and college professors who fear not to follow wherever logic leads - seem hardly able to restrain themselves and discuss the matter with calmness. They are not mincing words and their phrases consequently are as burningly denunciatory as printers' ink or post-prandial ethics will permit."

Wool Industry

The Merchants National Bank of Boston says in its monthly summary of the woolen and worsted industry: "The wool manufacturing industry of this country continues in a satisfactory position, so far as activity of equipment and volume of output is concerned. The management of several of the biggest mills have recently stated that their plants are running at full capacity. ..." (Jour. of Commerce, Nov. 16.)

Wool Research

"A further point of importance in connection with the technological aspect of the British wool manufacture is the marked increase within that industry of interest in scientific research, a curious instance of the influence of the chief loser in the World War upon one of the victors. A British Research Association for the woolen and worsted industries has been formed among the manufacturers. Subscriptions of considerable amount have been raised, which together with a subsidy from the Government's Department of Scientific and Industrial Research have enabled the purchase and equipment of a laboratory and the inauguration under experts of inquiries into various fields of wool-textile technique, such as woolen spinning and cloth finishing, of which little of a scientific character is known." (From an extensive article by Arthur H. Cole, reprinted from Quarterly Journal of Economics, in N. Y. Daily News Record, Nov. 17.)

 Section 3.
Department of 1.
Agriculture

American Elevator and Grain Trade, Nov. 15, says: "Although the report of J. D. Coulter, appointed by Secretary Wallace to investigate Spring Wheat grades, has not been made public, reports from Washington state that the report will recommend that the moisture content be reported separate from the grade. ... The reports of Professor Coulter's findings indicate he is sold on the injustice of such grading. Professor Coulter's investigation did not concern itself with the milling quality of such samples. Professor Fitz of Manhattan, Kas., is investigating this phase of the matter and his report has not yet been submitted. ... We hope that neither Secretary Wallace nor the House Committee will allow their minds to be prejudiced in advance of Professor Fitz's report."

Department of 2. "When work of a constructive nature is slack, our friends in the
Agriculture Department of Agriculture, being busy folks, must find something else to do; so a bulletin has been released showing when and under what circumstances it is justifiable to burn corn for fuel. Isn't this going a little too far, for without discussing just what the farmer will do because it is a personal problem with him as to whether his corn is most valuable in the grain dealer's bins or in the kitchen stove, why need the Department of Agriculture go into the matter? ... As so often suggested in this column, a very legitimate and worthwhile work devolves on the Department of Agriculture and we wish some grain of good judgment sufficiently powerful would show the powers that be just where these confines are." (Price Current-Grain Reporter, Nov. 16.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 21: Wheat higher early but advance ran into selling and best prices not maintained. Chicago December wheat higher at \$1.09-1/8; Chicago December corn higher at 49¢. Visible supply wheat 50,877,000 bushels, a decrease of 4,505,000 bushels for week. Visible supply corn 17,938,000 bushels, a decrease of 767,000 bushels. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.22; No. 2 hard winter wheat \$1.11; No. 2 mixed corn 51¢; No. 2 yellow corn 51¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 35 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.04; to farmers in Central Kansas for No. 2 hard winter wheat 92¢.

Chicago hog prices reached a top of \$7 early; bulk of sales, \$6.70 to \$6.90. Medium and good beef steers \$5.75 to \$10.25; butcher cows and heifers \$3.25 to \$9; fat lambs \$8.50 to \$9.40; feeding lambs \$7.40 to \$8.40.

Potato markets dull and weak; demand and movement slow and light. F.O.B. shipping point prices: New York Round Whites \$1.72 to \$1.78 per 100 lbs. sacked; Maine Green Mountains steady at \$1.36 to \$1.41 per 100 lbs. bulk; New York Danish type cabbage steady at \$40 to \$43 per ton bulk; Massachusetts Yellow Globe onions \$5.25 to \$5.50.

Hay prices steady to higher in central west; eastern markets dull and inactive with prices practically unchanged. Rapid advance in prices and return of warmer weather have slackened demand for feedstuffs.

Butter markets firmer at close; production holding up well; storage butter moving slowly. Cheese markets quiet; more interest in held cheese as current make begins to show effects of cold weather.

Spot cotton advanced, closing at 17.09¢ per lb. New York December future also higher at 17.38¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Nov. 21: Average closing price 20 industrials 76.69, as compared with 77.15 corresponding day 1920; average closing price 20 railroad stocks 74.36, as compared with 79.73. (Wall St. Jour., Nov. 22.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. III, no. 45.

Section 1.

November 23, 1921.

Tax Legislation

Unanimous consent agreement was reached in the Senate Nov. 22 to vote finally on the tax revision bill not later than 5 o'clock this afternoon. In calling up the conference report on the tax revision bill, Chairman Penrose said the pending measure provided a total reduction in taxes of \$70,000,000 this year and of \$835,000,000 next year. (Press, Nov. 23.)

Immediately upon the passage of the tax revision bill to-day the bill will be sent to the President. The only important section of the bill which will be put into force immediately upon its becoming law, however, is that relating to the income tax, the other tax changes going into effect on next January 1. The present surtax rates will be continued for this calendar year, the reductions agreed upon by the House and Senate going into effect in the next calendar year and being reflected in the actual payments to be made by the taxpayers in 1923. (Assoc. Press, Nov. 23.)

Congress Plans

Adjournment

A concurrent resolution was adopted by the Senate Nov. 22 to adjourn sine die to-day after a vote is taken on the Tax Bill. The resolution now goes to the House, where it is expected to be acted favorably upon. (Press, Nov. 23.)

Deficiency Bill

The House Nov. 22 passed the deficiency appropriation bill carrying approximately \$104,000,000. Senate action on the measure, Chairman Madden, of the House Appropriation Committee, said, will be sought before adjournment of Congress. The bill carries approximately \$86,000,000 less than the total requested by various Government departments. (Press, Nov. 23.)

Unemployment

Policy

Legislation designed to carry out the policies of the recent national unemployment conference was introduced in the Senate Nov. 22 by Senator Kenyon. The bill would provide for preparation in advance against periods of industrial depression and unemployment by establishment of an elastic program for the development of public works, based on the principle that such projects to a large extent be undertaken during a period of major depression, when labor and capital are not fully employed. Heads of executive departments under the measure would prepare and revise periodically all necessary plans for public works in order that work on the projects might go ahead without delay once Congress determines upon an appropriation. The Secretary of Commerce would be authorized also to publish monthly reports concerning the trend of business conditions. (Press, Nov. 23.)

Federal Economy Board Established Establishment of an interdepartmental board of contracts and adjustments, by direction of President Harding, was announced Nov. 22 by Director of the Budget Dawes. The board is charged with the duty of standardizing contract forms, securing the adoption of uniform policies as regards construction work and uniform practices of interpretation and negotiations both preceding and following the actual execution of contracts. A representative of the Secretary of the Treasury is to be chairman of the board, which will be composed of one member from each department of the Government. (Press, Nov. 23.)

Howard Reelected Head of Farm Bureaus J. R. Howard was unanimously reelected president of the American Farm Bureau Federation at the close of the first day's session of the third annual convention of the federation at Atlanta, Ga., Nov. 21. Mr. Howard, in addressing the convention Nov. 22, declared that largely through the efforts of the federation the farmers of America have been saved more than \$50,000,000 in freight rates. Mr. Howard also said: "The American Farm Bureau Federation is responsible for the recent enactment of the packer control legislation at Washington, resulting in a very large saving to farmers of America." (Press, Nov. 23.)

Section 2.

Corn "Farmers confronted with receiving only 20 cents a bushel on the farm for this year's corn crop will do well to listen to the advice of most agricultural authorities and feed the corn to live stock. ... From some Minnesota districts reports come that farmers are realizing from 65 cents to 75 cents a bushel for their corn by feeding it to live stock. Even if the result was a little less than that, it would be far ahead of marketing the corn at present low prices or burning it for fuel. As there is now a spread of three cents a pound between the price of choice feeders and that of heavy fat cattle, farmers who can command credits could well afford to buy feeders, provided they have an adequate supply of corn, or can purchase it from a nearby neighbor." (Commercial West, Nov. 19.)

Farmers' Purchasing Power Commercial West for Nov. 19 says in an editorial: "The greatest problem of the agricultural West is to discover some means of increasing the purchasing power of American farmers. There are two ways to help out the situation, one being to reduce the cost of production of what the farmer raises, and the other is to obtain a better price for farm products in the world's markets. This latter of course hinges on the revival of our export trade in grain, flour and meats and that awaits the ability of the European buyer to purchase and pay for what the farmers produce. As pointed out in the November Review of the Northwestern National Bank of Minneapolis, farm commodities in the United States as a whole now possess less than two-thirds of their normal purchasing power, if we consider the situation before the war as normal. During the five-year period prior to 1920, the farmers had an advantage of a purchasing power above normal ranging from 6 to 12 per cent, but in 1920 his products fell below prewar average prices and during this year have dropped over a third below such level. ... What is the remedy? Can the Federal Government help the situation? Can the bankers and business interests do something to bring relief or can the farmers themselves help make conditions more favorable? All

of these various classes are at work attacking the problem from different angles.

Through the War Finance Corporation, the Federal Government is giving temporary relief by extending additional credits for agricultural purposes. Whatever aid is given in this form, to prevent necessity of foreclosure on farms or live-stock loans will be that much saved from further damage. Of course, this is only temporary assistance and not a permanent change in the general situation. Other aids in line with this work would be for the public to buy more liberally of farm mortgages, farm loan bonds and even shorter term securities given for agricultural purposes. There is a general agreement however that the greatest help for the revival of farming prosperity and increase in the farmers' purchasing power will be when financial assistance can be extended to European buyers of farm products, by arranging for foreign credits and bringing the foreign demand for farmers' products into play again, which will have the effect of advancing prices in the world's markets."

Food Distribution

"Proposed Reforms in the System of Food Distribution" is the title of an extensive paper, the first of a series, by William R. Carr, University of California, in The Journal of Political Economy for November. The author states that: "The interest in the cost of living has grown with the rise and fall of prices. Manufacturers have been concerned with the effect of price fluctuations upon wages and upon their struggle for world markets; laborers, with the effect upon their present purchasing power; farmers, with the relation of selling prices of farm products upon traffic." This first article considers certain reforms proposed for reducing the cost of distribution of food as a factor in the cost of living.

Free Seeds

"Whether it is to be taken seriously or not, the resolution of the American Vegetable Growers' Association calling on Congress to send all of the free seeds to starving Russia is a good one. American farmers are tired of this bunk and it sickens them to have some distinguished member of Congress fill their mail boxes with packages of seeds of no particular name and of uncertain ancestry. Russians need seeds of some kind and the variety of these seed collections is so extensive that they surely would find something that would suit their needs. ... Send the free seeds to Russia and accomplish two great results: Relieve the American farmer of the obligation of accepting and possibly acknowledging something of which he knows little and for which he cares less; let the Russians juggle with the free seed supply and bring its progeny into action. ..." (The Ohio Farmer, Nov. 19.)

Freight Rates

The 10 per cent reduction in freight rates on agricultural products, recently announced by the Association of Railway Executives, will not apply on traffic between points in New England on the Boston and Maine system, it was announced Nov. 22 in Boston. The reduction determined upon by the railway executives, President Hustis, of the Boston and Maine, said, would be applicable to traffic into New England and, with one exception, to traffic from New England. The Bangor and Aroostock Railroad, which serves the potato-growing territory, had advised him, Mr. Hustis said, that the reduction would not apply to potatoes. (Press, Nov. 23.)

Marketing

Membership in the U. S. Grain Growers, Inc., shows an increase of 1,235 for the six day period, bringing the total reported membership in the twelve states to 24,092. (U.S.G.C. News Letter, Nov. 21)

Nitrate from
Muscle Shoals

"Henry Ford intends to produce more nitrate than all the cotton growers of the South will need, if he is permitted to lease the Muscle Shoals plant, Gray Silver, Washington representative of the American Farm Bureau Federation, said Nov. 22, at the Atlanta convention. Silver based his statement upon a recent conversation with Ford. (Press, Nov. 23.)

Prices

Commercial West for Nov. 19 quotes Northwestern National Bank Review, Minneapolis, in a lengthy statement entitled "The Farmer's Problem." This says in part: "From an Austin banker (Southern Minnesota) we receive this example as to the actual working out of the farmer's problem. 'Taking the commodity of hay: most of our hay grades number three timothy, the present price of which is \$15 to \$16 per ton in Chicago. The freight and commission is in round numbers \$8.75 per ton. The cost of baling is \$4 per ton. With \$2 per ton for hauling to car, this leaves, as you see, a very small margin for his work, to say nothing of the product itself. We have been told that in some cases the commission men have sent a bill back after the hay was sold for the balance due on the transaction. The commodity of hides is in about the same proportion. ... Oats are now selling at 17 cents per bushel, and a man told me to-day that he paid 4 cents per bushel to have his oats threshed, and the thresher gave 25 pounds to the bushel. It takes one bushel of oats at this price to take three bushels to the Chicago market. Corn is in about the same proportion, selling in Austin for 25 cents per bushel, with very little offered at the present time. The only bright spot on the farmers' horizon is the fact that butter is 45 cents per pound, and it means the living of a great many to have a few cows. As yet hogs are a fair price and farmers who have them are feeding the corn into them, and they are getting around 75 cents per bushel for the corn in that way.' "

Rail Wages

Wage increases of 13 cents an hour have been requested of virtually all carriers in the country by the heads of shop crafts unions, representing about 400,000 employees, who have asked railroad executives for conferences on the subject, December 30. This action follows the railroads' recent petition to the United States railway labor board proposing to cut the wages of shop crafts employees to the "going rate paid for the same class of labor in other industries." (Press, Nov. 23.)

Wheat

In an editorial on "Dollar Wheat" The Wisconsin Agriculturist for Nov. 19 says: "Dollar wheat does not look very good to farmers of America at this time. It will cost them more than that to produce it. There is no profit in the business, but our farmers are made of sterling stuff. They are not quitters. ... They are anxious to do it and will work hard, but they do want a fair share of the profits that are derived from labor and they will get it in time. If we could only have our old time export trade there would be a wonderful change immediately. We note that some men still hold that we do not need an export market."

Section 3.

Department of
Agriculture

An editorial in The Seed World, Nov. 18, says: "A recent issue of a grain publication contained a very unfair attack upon the United States Department of Agriculture. It said in part: 'The more we come in contact with and watch the work of the Department of Agriculture, including also the farm extensions of the state universities, the more we are impressed with the belief that their whole scheme is based on false conclusions and that they are far from accomplishing their purpose. It is our belief that the department cannot show figures which will prove conclusively that the earning it increases to farmers equals its expense to the Government.' Further on it stated: 'We would like to see the department cease to send out bulletins, but on the other hand issue demands. ...' Such an attack on the Department of Agriculture comes from a source that is either ignorant or one of selfish resentment because farmers are beginning to acquire some knowledge of how they have been treated by other interests. Such opinions as are expressed in the editorial are so obviously warped as to require little or no defense by the party attacked, other than the statement that it occasionally seems that the press is allowed too much license. Constructive criticism is sometimes desirable, but when any publication says that the United States Department of Agriculture is not doing a great work, worth many times its cost, then that publication has little regard for the truth, if it pretends to be informed as to the activities of the Department of Agriculture. The statement that farmers or any other class of American people should be ordered to do so and so, besides invoking a certain amount of humor, causes one to wonder if the editor of the grain paper in question ever heard the axiom: 'You can lead a horse to the water, but you can't make him drink.' Attacks of this kind on the Department of Agriculture are harmful in that they fan the flames of those whose selfish interests are in line with those of this particular grain publication."

Section 4.
MARKET QUOTATIONS

Farm Products

Nov. 22: Wheat prices fluctuated rapidly within range of $1\frac{1}{2}\%$. Milling demand fair; export demand slow. Navigation on St. Lawrence officially closes Nov. 25. Corn firm; export demand good; offerings small and readily absorbed by industries and shippers. Chicago December wheat higher at \$1.09 $\frac{3}{8}$; Chicago December corn higher at $49\frac{1}{2}\%$. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.22; No. 2 hard winter wheat \$1.11; No. 2 mixed corn 52¢; No. 2 yellow corn 52¢; No. 3 white oats 34¢. Prices to farmers in Central Iowa for No. 2 mixed corn $35\frac{1}{2}\%$; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.05; to farmers in Central Kansas for No. 2 hard winter wheat 92¢.

Chicago hog market active, bulk of sales \$6.60 to \$6.75. Beef steers strong to 25¢ higher, best grades up most; medium and good beef steers \$5.75 to \$10.25; butcher cows and heifers \$3.25 to \$8. Calves strong to 25¢ higher, light and medium weight veal calves \$4.75 to \$8.75. Fat lambs strong to 25¢ higher at \$8.50 to \$9.60.

Potato markets slow and dull; prices slightly lower. Prices for shipping points: New York Round Whites weak at \$1.70 to \$1.75 per 100 lbs; Maine Green Mountains unreported; Massachusetts Yellow Globe orange steady at \$5.25 to \$5.50 per 100 lbs. sacked; New York Danish type cabbage steady at \$40 per ton bulk. Spot cotton up 45 points at 17.54¢ per lb. New York December futures up 59 points at 17.97¢. (Prepared by Bureau of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Librarians' daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 46.

Section 1.

November 25, 1921.

Tax Bill Signed

The extraordinary session of the sixty-seventh Congress, called last spring by President Harding to revise the tariff and tax laws of the Nation, adjourned sine die Nov. 23. The last act of the Senate was to pass by a vote of 39 to 29 the 1921 revenue bill, in the form in which it was finally agreed to by the conference of the two Houses of Congress. The bill is expected to reduce taxation by \$70,000,000 during the present year and \$825,000,000 in subsequent years. The bill repeals the excess profits and transportation tax, eliminates many of the luxury taxes and cuts down individual taxes. Corporation income tax is increased from 10 to 12½ per cent. For the most part, the agricultural bloc supported the bill on the strength of the compromise which brought about the 50 per cent limit on surtaxes. (Press, Nov. 24.)

Important Legislation Enacted

In a summary of achievements of the special session of Congress, just adjourned, The Philadelphia Ledger, Nov. 24, says: "Of domestic interest, fiscal legislation was prominent, with passage of the tax revision bill the most important achievement. The Permanent Tariff Revision Bill was taken up first and passed by the House, but was laid aside by the Senate until the next session in order that the tax measure could be enacted. Besides passing appropriation bills aggregating nearly \$900,000,000 including the regular army and navy supply measures, some of the more important measures passed during the extra session were: The Temporary Immigration Restriction Bill; establishment of the Federal budget system, the Capper-Tincher bill for regulating grain markets; the Edge Export Corporation Bill; the law for Federal regulation of the meat packing and other live-stock industries; providing for reorganization of soldier relief agencies, establishing the Veteran's Bureau, increasing benefits of privileges of wounded veterans and other reforms of the Sweet bill."

Bills not Enacted

Important bills that failed of enactment at the special session of Congress were the Fordney-Fenrose tariff bill, the railroad bill providing for the funding of railroad obligations, the foreign debt refunding bill, the truth-in-fabric bill, the Capper bill to repeal the guarantee clause in the Transportation Act, the Alaskan railway bill and the bill for the revision of the laws, the first since 1878. (Press, Nov. 24.)

Dairy Congress Postponement Urged

Postponement until 1923 of the World's Dairy Congress, authorized to be held in the United States in 1922, was urged Nov. 23 by President Harding in a communication to Congress. (Press, Nov. 24.)



The Revenue Bill

The Washington Herald to-day says in an editorial: "After seven months, the new revenue bill has been passed and signed by the President. There has been no fundamental change made, but in many ways it is a better law. The income tax gradations are simpler and fairer and it should be less expensive in administration, though possibly more so to the individual taxpayer of large affairs and varied interests. ... The change which may promise the most immediate relief and benefit to business is the repeal of the railroad traffic taxes. These have been paid directly by the shippers and have been a burden especially on the farmers, in many instances making the difference between profit and loss. Excess profits taxes are wiped out as of next January and in their place the corporation tax rate is increased to 12½ per cent. The maximum income surtax is reduced from 65 to 50 per cent. These, with the repeal of most of the so-called nuisance taxes, or their change to a direct tax on subjects in bulk production, are the chief difference from the old law."

Section 2.

Cooperative
Marketing

Basing an editorial upon the recent statement of Secretary Wallace on the agricultural outlook for next year, The Progressive Farmer for Nov. 19 says, after quoting the statement: "This is the whole situation in a nutshell. Better times are ahead - better times for all kinds of business - but if the farmer is to get his share of the better times, he must do two things. He must (1) arrange for more business-like selling of his products through cooperative marketing, and he must (2) study what quality and quantity of products the market needs and try to feed the market just this quantity and just this quality. The cooperative marketing associations will help farmers at both these points. The present marketing system has not encouraged the farmer to grow the best grades of cotton or tobacco or truck crops, because he has often failed to receive full value for quality grades. Cooperative marketing associations will also enable the farmers to learn more accurately just how much cotton or tobacco or peanuts the market needs. Moreover, the continued development of cooperative marketing will give us cash markets for other crops than cotton and tobacco and thereby relieve the tendency to overproduce these two crops."

Corn in
Payment
for Goods

Merchants of Madelia, Minn., have decided to accept corn as payment of debts and for purchases of merchandise, according to an Associated Press announcement of Nov. 23. This action was taken following complaint of farmers that they were unable to meet their financial obligations with the merchants, and that the low market price of corn made it impracticable for them to haul their grain to market.

Cotton
Industry
and Japan

"A bright future for the cotton trade between this country and Japan is predicted by Kenjiro Matsumoto, one of the Japanese business men now visiting here, in telling of the rapid growth of the cotton industry in Japan. During the last thirty years, Mr. Matsumoto said, factories have been erected all over Japan, until now 3,800,000 spindles and about 50,000 looms are in operation. 'When you think of the market for cotton fabrics in China,' said Mr. Matsumoto, 'you will be surprised by the fact that 400,000,000 people there still wear rough, hand-woven, cotton clothes. When these people come to use the finer cotton fabrics, their consumption will be enormous, naturally causing an enormous demand for your cotton and cotton goods. 'Compared



with your enormous cotton export to European countries, our import of cotton from the United States is small, so that your local interest in the Japanese market may be slight. However, on our side it is of very pressing importance, since we have to rely entirely upon imported cotton for our fabricating and spinning, and depend about one half upon your raw material supply amounting last year to nearly \$300,000,000." (N.Y. Times, Nov. 24.)

Freight Rates

1. A 10 per cent reduction in carload freight rates on farm products coupled with reduction in railroad wages, was proposed by the carrier to the Interstate Commerce Commission Nov. 23, as a substitute for the order of the commission dated October 20, reducing rates on hay and grain shipments. The substitute schedules would be effective "for an experimental period of six months." The commission was asked to reopen its decision of October 20 in order that argument might be given in behalf of their proposal. The suggested reduction on carload shipments, it was explained, would cover grains, hay, cotton and cotton seed and its products, except meal and oil, citrus and fresh fruits, live-stock and dairy products. The scope of the proposed cut in wages was not indicated, the statement merely saying that "the benefit of the reduction thus obtained" from the Railroad Labor Board shall be passed to the public in reduced rates. Any reduction in rates made since September 1, 1920, would "constitute a part of this 10 per cent" under the railroads' suggestion, which specified further that "the proposed reduction shall not apply to the movement of such traffic wholly within New England." ... (Assoc. Press, Nov. 24.)
2. The Interstate Commerce Commission Nov. 23 ordered a general investigation to determine whether any further reductions on railroad rates could be required. The commission announced that the investigation would be begun at a hearing on Dec. 14. The investigation is instituted, the commission said, "to determine whether and to what extent, if any, further general reductions in the rates, fares and charges of carriers by railroads applicable in interstate or foreign commerce can lawfully be required by order of the commission under Section 1 or other provisions of the Interstate Commerce act, upon any commodities or descriptions of traffic." ... (Assoc. Press, Nov. 24.)
3. "Investigation by the Interstate Commerce Commission on its own behalf of the reasonability of the present level of national transportation rates announced Nov. 23 is the latest and perhaps most mandatory of a series of Government actions, all of which have been directed toward forcing down railroad charges. Negotiations between the commission and the executives of all the larger railroads have been constantly in progress for weeks, being particularly in the open since President Harding formally took members of the Railroad Labor Board, which controls wage scales, into joint sessions with the commission. ... " (Assoc. Press, Nov. 25.)

Fur Prices

As a result of the rapid rise of raw fur prices, offered by dealers for the new season's catch, the Associated Fur Manufacturers, Inc., plans to secure united action by its membership to forestall the possible recurrence of the 1920 collapse of the market - a collapse which followed inflation similar to that seen in offerings for incoming skins." (N.Y. Daily News Record, Nov. 23.)

Tariff

"U. S. Valuation Plan Opposed by Economists" is the title of an article in New York Daily News Record for Nov. 23, which says in part: "Since the New York University Bureau of Business Research made public the results of its inquiry into the judgment of economists concerning the American valuation clause of the Fordney tariff bill, 22 additional replies to its questionnaires have been received. Twenty-five states are now represented and 93 economists have replied. The total results show the belief that this clause is based upon an unsound conception of foreign trade, and that the United States will be seriously injured if it becomes law."

Turkey
Prices

The Philadelphia Ledger Nov. 24 said in an editorial: "Yesterday they wanted as much as seventy-five and even eighty cents a pound for his Thanksgiving majesty, the turkey. No, nothing out of the ordinary had afflicted the 1921 turkey crop. Government reports insisted there were plenty of turkeys in the country. Trade authorities were not harping about a shortage. Cold-storage reports showed a normal supply. Just the same, the price hopped along from sixty to seventy-five and even eighty cents. Corn is low in price. So far as we have heard, acorns picked up on the leaf-strewn forest floors and insects foraged from the autumn fields cost no more than they did in the long ago. There has been a general decline in food costs in the last year. Turkey selling at fifty-five cents two weeks ago sold at as much as eighty cents on Thanksgiving Eve, and there you are. ..."

Section 3.Department of L.
Agriculture

The Press of Nov. 24 quotes Secretary Wallace as stating, in an address before the third annual convention of the American Farm Bureau Federation, at Atlanta, Nov. 23, that farmers' troubles throughout the United States are economical and not political, and until the time comes when the farm is conducted on purely business lines, their troubles will continue. Secretary Wallace said he believed the great work the Department of Agriculture should do to help the farmer was not along production lines only, but along economic lines. He said it was the department's duty to help the farmer follow his crop from the time the seeds were planted until they reached the consumer. ... Secretary Wallace told the delegates he considered the present agricultural depression the worst in the history of the country. "This condition has been realized by Congress," he said, "and during the past eight months it has passed more legislation to help the farmers than any other Congress has done in the same length of time."

Discussing the War Finance Corporation, the Secretary declared the slowness of banks throughout the country to realize that the corporation wanted to lend its money where it would do the most good, hindered the work considerably. He said the corporation had loaned \$15,000,000 on wheat, \$13,000,000 on cotton, \$6,000,000 on live stock and \$10,000,000 for miscellaneous purposes, and is making loans at the rate of one to two millions a day. Opposition to Government fixing of prices on farm commodities was expressed by Secretary Wallace. He said such a procedure only tended to encourage greater production which in the end would be detrimental to the producers.

Department of 2.
Agriculture

The Oregon Farmer for November 17 says in an editorial: "Dr. Henry C. Taylor, chief of the newly reorganized Bureau of Markets and Crop Estimates of the United States Department of Agriculture, has started a number of investigators at work with directions to make a careful, thorough and impartial study of unsatisfactory marketing conditions. ... Dr. Taylor is to be commended for his decision to turn the searchlight upon these conditions. Publicity will help. Yet it is doubtful if his corps of investigators will find anything particularly new which is not already known. The high and unreasonable spread between prices received by the producer and prices paid by the consumer is due to a variety of causes already pretty well known. High freight rates are one element. High labor costs all along the line are another. High profits are undoubtedly another factor. But the biggest of all is the high cost of doing business in a modern way. In the final settlement, all of the costs of modern city conveniences, comforts, luxury and display must be loaded on the products of the land. ... The real problem is to find ways of requiring the beneficiaries of these pleasant things - that is the city people who enjoy them - to pay for the luxury and not take it out of the hard-working farmer, his wife and children. ... The just solution would be for produce to start with a fair price at the farm, and then the cost of the various loadings all along the line should be passed on to the consumer to pay. The trouble now is that when all these loadings run up prices too far, consumption falls off and the kick-back is on the producer. ... "

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 23: Chicago grain market strong but advance partly lost account evening up for holiday. Exports domestic wheat and flour July 1 to Nov. 21 about 179,000,000 bushels. Chicago December wheat closed higher at \$1.10 3/8; Chicago December corn higher at 50 1/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.22; No. 2 hard winter wheat \$1.12; No. 2 mixed corn 52¢; No. 2 yellow corn 53¢; No. 3 white oats 35¢. Average price to farmers in Central Iowa for No. 2 mixed corn 36 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.06; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market higher, bulk of sales \$6.65 to \$6.85. Beef steers and butcher cows and heifers strong to 25¢ higher; medium and good beef steers \$6 to \$10.25; butcher cows and heifers \$3.35 to \$9. Fat lambs up 40 to 65¢ at \$8.75 to \$10.

New York Round White Potatoes down 10¢ f.o.b. shipping points at \$1.65 per 100 lbs.; Maine bulk Green Mountains \$1.31 to \$1.36 per 100 lbs. New York Danish type cabbage down \$2 f.o.b. shipping points at \$37 to \$38 per ton bulk. Yellow Globe onions steady at \$5.25 to \$5.50 per 100 lbs.

Hay market active; receipts light at Minneapolis, Chicago and Cincinnati. Eastern and southern markets dull and unchanged. Wheat mill feeds scarce; market very strong in central west; eastern markets less active. - Butter markets firm at close. Production holding up well. Storage butter moving slowly. Cheese markets quiet. More interest in held cheese as current make begins to show effects of cold weather. - Spot cotton up 52 points at 18.06¢ per lb. New York December future up 50 points at 18.47¢. (Prepared by Bur. of Mkts. & Crop Est.)

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Vol. III, no. 47.

Section 1.

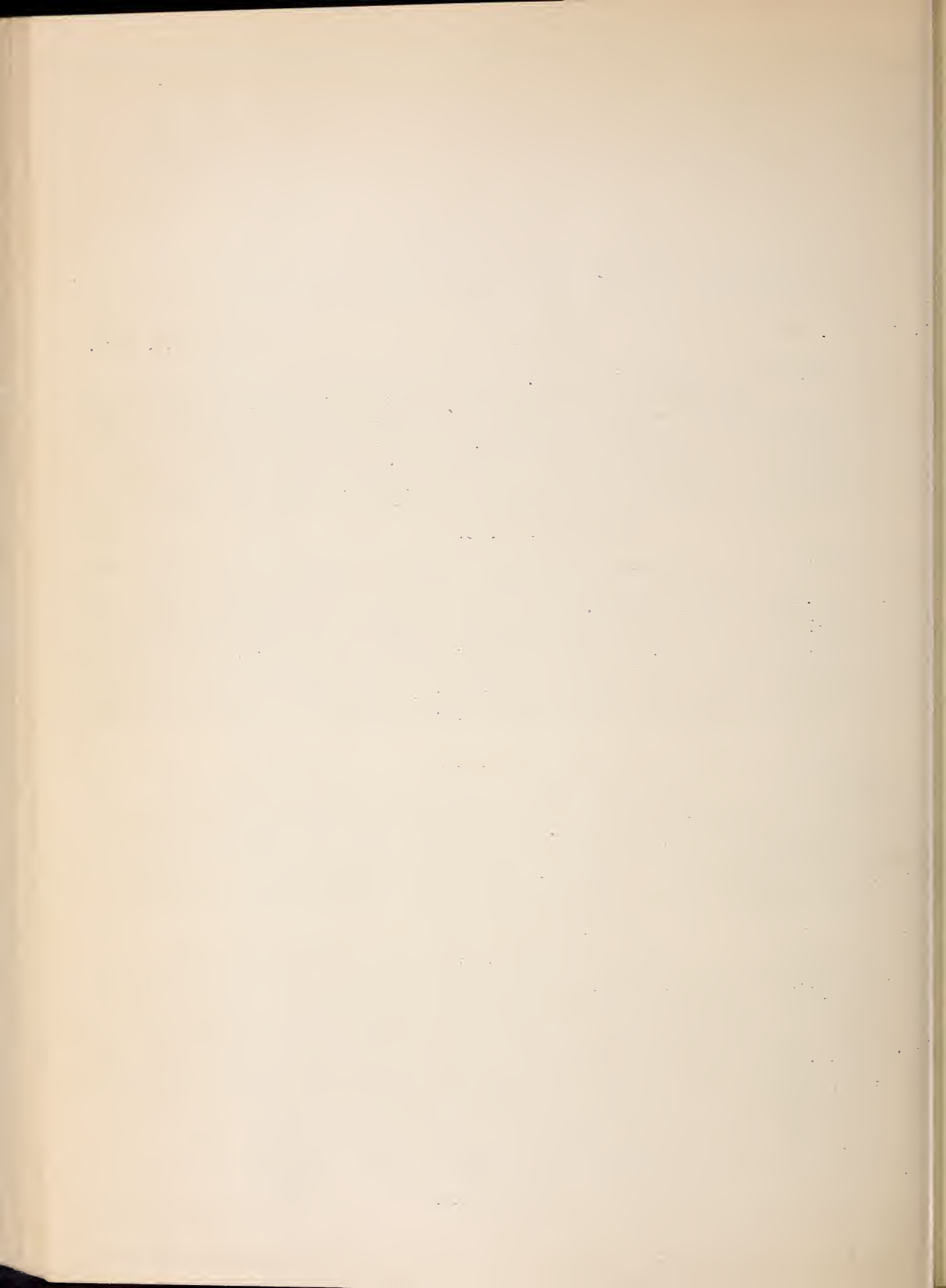
November 26, 1921.

Tariff Legislation Senator Penrose, chairman of the Senate Committee on Finance announced Nov. 25 that there will be no hearings on proposed new tariff schedules until after Congress convenes in regular session on December 5. The hearings, Senator Penrose added, would be limited to two weeks and he expected the bill to be ready for consideration by the Senate before Congress adjourns for the Christmas holidays. The bill, as it will go to the Senate, will be different in a great many respects from the bill that passed the House many weeks ago. (Press, Nov. 26)

Tariff Policy An editorial in The Washington Post to-day says: "If current rumors are to be credited, there is a movement on among some senators and representatives looking to the postponement of final action on the tariff bill until 1923. Those who favor this plan are actuated by the belief that it would be possible then to write a more scientific and better-balanced tariff than at this time, when business is yet in an abnormal state and prices and wages have not reached permanent levels. They think an emergency tariff, such as is now in force, can be used to bridge over the interim without serious injury to American industry. ..."

Rail Costs That since 1920 the railroads in numerous requests for rate increases had, with the exception of the abnormal war period, failed to convince the Interstate Commerce Commission that the condition of their revenue was such as to call for the increases asked, was the statement made Nov. 25 before the Senate Committee on Interstate Commerce by Frank J. Warne, representative of the train employees of all of the railroads in the United States. (Press, Nov. 26)

Chicago Board of Trade Solicits Grain Samples A Chicago dispatch to the press of to-day states that thousands of farmers of 24 states and half a dozen Canadian provinces are matching skill for the \$10,000 premium list offered by the Chicago Board of Trade for best samples of corn, wheat, oats, barley, rye, seeds and hay grown in the current year. The decision will be reached at the third International Grain and Hay Show which opens at Chicago to-day. Agricultural colleges, crop associations, experimental stations, the United States Department of Agriculture and Canadian provincial departments are represented by extensive exhibits. Professor G. I. Christae, Purdue University, superintendent of the exhibit, which is held in connection with the International Live-Stock Exposition, says the number of samples has increased 1000 over last year.



Section 2.

Agricultural 1.
Financing

The War Finance Corporation Nov. 23 approved fifty-six advances aggregating \$2,073,000, for agricultural and live-stock purposes, in Wyoming, Iowa, South Dakota, North Dakota, Nebraska, Oregon, Colorado, Montana, Kansas, Minnesota, Georgia, South Carolina and North Carolina (W. F. C. press statement, Nov. 23.)

2. The War Finance Corporation Nov. 25 approved eighty-five advances aggregating \$3,147,000, for agricultural and live-stock purposes, in Arizona, New Mexico, Montana, Indiana, Illinois, Wisconsin, Missouri, Kansas, Nebraska, Iowa, Minnesota, North Dakota, South Dakota, Louisiana, Georgia, North Carolina, South Carolina, and Texas. (W. F. C. press statement, Nov. 25.)

Business
Conditions

"There is a consensus of opinion, responsible and irresponsible, that we shall have better business in the coming year. Professor Irving Fisher, proud father of the gutta-percha dollar, thinks we shall have secondary inflation and a return to depression of a more lasting kind two years hence. The stock-market averages, read by Dow's well-tested theory, say definitely that we are out of the long bear market and that 1922 will be a bull year. The stock market is always ahead of the business of the country by just as far as the aggregate knowledge of Wall Street can foresee. This idea of a secondary inflation has already been expressed by an Englishman, Professor Cassel, as quoted in the Manchester Guardian. It is the thought of such English bankers as Reginald McKenna, who directs the destinies of the London Joint City and Midland Bank, one of the greatest banking organizations in the world. It is true that our deflation has been most irregular. It has hit the farmer worst and left the soldiering plumber high and dry, with as little work as we can afford to give him. It has still to deflate the building trades, the railroad workers and the miners. The secondary period of inflation, therefore, is more than likely to help the farmer, in better prices for his products, while it develops more work at rather lower wages in those callings which are at present underdeflated." (Wall St. Jour., Nov. 24.)

Cooperative
Progress

"Cooperators are Climbing" is the title of an editorial in The Nebraska Farmer for Nov. 26 which says: "Remarkable progress is being made in the amount of business transacted by associations of producers in the United States in cooperative marketing and purchasing. According to figures recently released by the Department of Commerce from the 1920 census reports, more than a half million farmers marketed cooperatively in 1919 products valued at \$722,000,000, and more than 300,000 farmers made purchases amounting to \$84,000,000 through cooperative buying associations. One farmer in every ten belongs to one or more cooperative organizations for marketing or buying, the census report shows. The average value per farm of the products marketed was \$1,412, and of the goods purchased, \$257. Minnesota leads the list of states in the percentage of all farmers who belong to cooperative marketing associations, the percentage being 43.9; South Dakota is second with 27.1 per cent; and Nebraska is third with 26.2 per cent. ... Grain, milk and cream, fruit and truck crops were marketed in the largest amounts by the cooperative associations. The organized fruit growers of California are responsible for that state



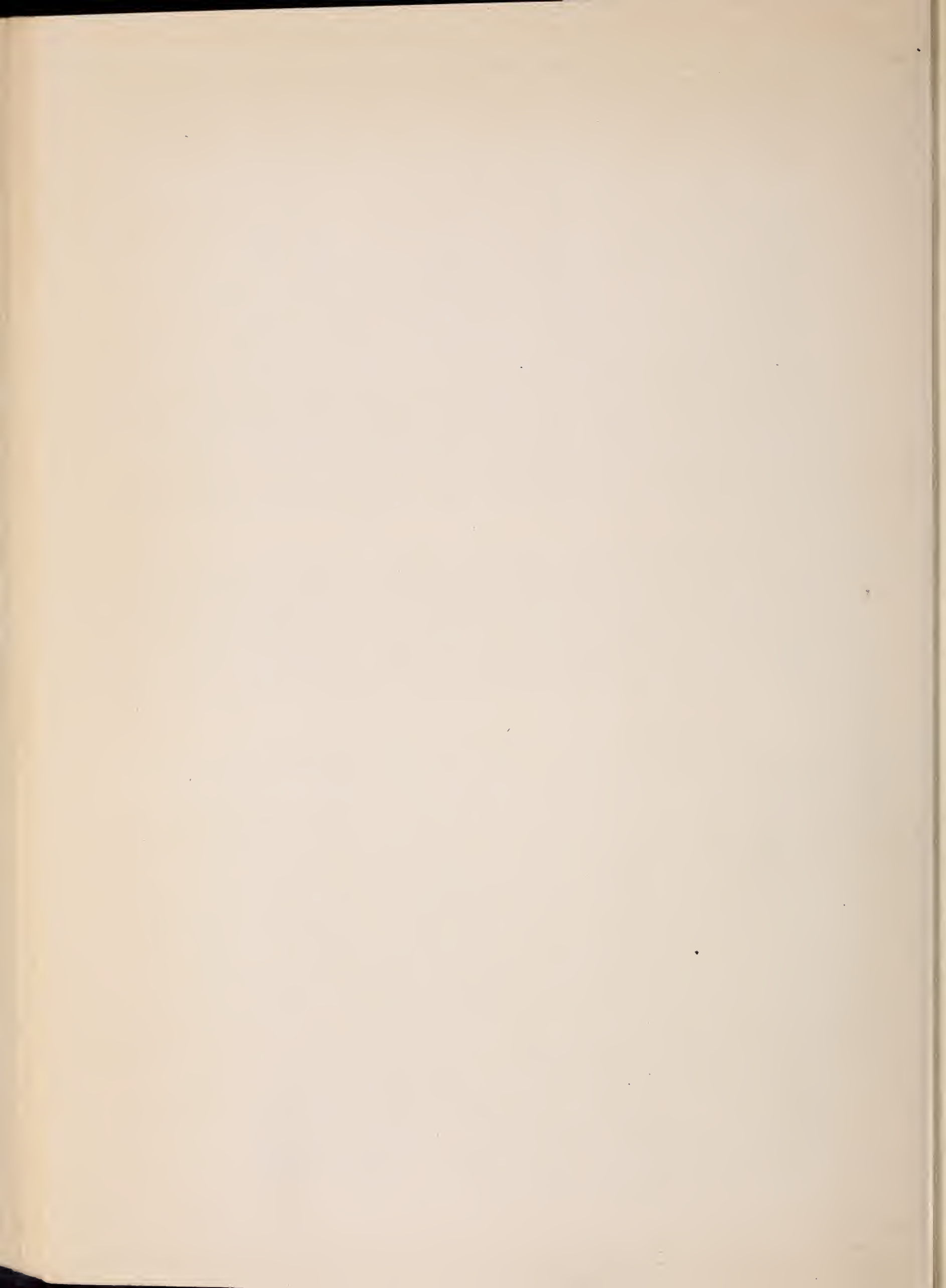
ranking first in the total value of products marketed, the average per farm being \$4,966. The well known cooperative creameries and cheese factories of Minnesota are largely responsible for her high standing. Farmers' grain elevators helped to make Iowa rank third and to cause the good showing made by all of the cornbelt states. Cooperative purchasing was on a much smaller scale, but was by far the heaviest in the west north central states of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas. Kansas is first with goods purchased amounting to \$9,663,051 and Nebraska is a close second with goods valued at \$9,660,107. Fertilizer, feed, binder twine, spraying materials, coal and the like were the principal items purchased cooperatively. In the two years following the period which these figures cover farmer cooperation has made a steady growth and the results if obtained now would show much larger than those given. There has been a continued increase in cooperative associations among dairy farmers, grain and live-stock shippers and among the cotton growers of the south. When the new national grain and live-stock marketing associations begin to function the total value of all products handled will be swelled to a huge sum. Cooperation is a powerful plank in the bridge over the chasm of unprofitable agriculture."

Cotton Trade in Britain

"Col. Seddon Brown, managing director of the Amalgamated Cotton Mills Trust, states that cloth printing prices are too high and he proposes that the costs in all phases of cloth reduction be reduced by having the cotton operatives work more hours a week at present wages or else accept a reduction in wages. He declares there is an enormous demand knocking at the door, but that the world is unable to buy at present prices." (Manchester cable to N. Y. Daily News Record, Nov. 25.)

European Conditions

James Simpson, vice president of Marshall Field & Co., who has returned from a two months' trip to France, England, Switzerland and Germany; Nov. 21 authorized a statement in part as follows: "In Europe is economic and financial chaos. Unless something is promptly done to avert the disaster which approaches with constantly increasing rapidity it will spread from one country to another until we are all involved in the maelstrom. The leading minds of Europe while recognizing disaster are looking as through a fog and know not which way to turn. They feel that their only hope lies in America assuming leadership in the restoration of an orderly state of affairs as between nations. You may say what care we? Perhaps we do not, and thus far, I must confess, it appears we either do not care or do not appreciate the consequences that will inevitably result to our own country if we continue our indifference to European conditions. Let there be no mistake. No country can save Europe but our own. Economic and financial questions should be considered simultaneously with disarmament discussions. They are so closely allied they cannot be separated. If we stand ready to give Europe voluntarily the immediate financial relief that later we will be compelled to accord we can obtain the support of European powers for those principles of disarmament which we believe to be in the best interest of the world. ... " (Chic. Jour. of Commerce, Nov. 22.)



Freight Rates

Hay trade interests of Kansas City and the West are enthusiastic over business prospects after November 20, when the cut of approximately 17½ per cent in freight rates on forage in the western half of the United States become effective. Important increase in the movement of alfalfa, prairie and tame hay is expected as a result. (Press, Nov. 26.)

Fruit Marketing

Resolutions passed at the recent meeting of the Fruit Growers Marketing Committee of 21, of the American Farm Bureau Federation, include the following: "Whereas, substitutes for fruit juices are sold for pure fruit juices in effect if not in fact, therefore be it resolved, that we urge such legislation or administration of present laws that will prevent continuance of such practices. Whereas, the public is often imposed upon by short measure in containers, the difference of the short and full not being apparent to the eye, therefore be it resolved, that we disapprove of such practices and urge the passage of the bill now before Congress known as the Vestall Standard Container bill." (A.F.B.F. Weekly News Letter, Nov. 21.)

Live Stock and Finance

"The products of American live stock have run about \$8,000,000,000 in some years. Of course hogs represented the largest part of this, and the dairy cow earned about a quarter of the total. But the financial interest is largely in the beef steer, because his production is more primarily a banking proposition. From calfhood in the Texas Panhandle until he appears at the stockyards, the steer represents bank loans. And as the collateral is bred to increase in size and weight every day of its life, cattle loans are favored by bankers. The formation of a pool of \$50,000,000, largely New York capital, to help live-stock men, is one item to show the respect financial men have for this business. The fact that War Finance Corporation has also advanced about \$6,000,000 for the same purpose is another indication. But these sums do not measure the business. The loans made every year run into several hundred million dollars. The business is so great that large bankers may well speculate in it. ..."

(Wall St. Jour., Nov. 24.)

Meat Marketing

"Secretary of Agriculture Wallace, in a recent conference with representatives of the leading farm and cooperative organizations in Washington suggested that one of the greatest services that cooperation could render would be the institution of cooperative meat markets to cut the cost of meats to the consumer. ... The Secretary of Agriculture does not blame any one particular middleman for the extravagant discrepancy between what the producer gets for his cattle and the price exacted from the consumer. The trouble is that there are too many middlemen. While each middleman may add but 10 per cent or 15 per cent profit to what the meat cost him, these profits pyramid until the final result often exceeds the original price received by the producer. Cooperative meat markets would cut the cost of meat because they would eliminate a string of unsuccessful middlemen, and bring directly to the consumer the product of grower and meat packer. ... Several foreign countries have solved the problem by establishing state-owned meat markets in competition with the private shops, where the consumers may purchase meat at the actual cost of production and handling." (The Michigan Business Farmer, Nov. 19.)

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Section 3.

Department of
Agriculture

"Secretary of Agriculture Wallace has courage, if not discretion. He sends out a public statement in which he advises the burning of corn for fuel in sections where 'corn is very cheap, and a rather poor grade is selling at high prices.' He declares that 'under such conditions it will pay both farmers and people in country towns to use corn instead of coal.' ... It is something of a mental shock to consider burning corn. ... We recall that corn-burning stories were told rather frequently last year, but an investigation by Farm Life showed that in practically all instances the burning was done 'across the state line,' or else, 'over in another county.' Our notion is that not much corn of marketable grade will be burned. Our advice, if it should be asked, would be that all farmers who have no woodlots should get busy and plant an acre or so of trees." (Farm Life, December)

Section 4.

MARKET QUOTATIONS

Farm Products

Nov. 25: Wheat trade active. Export demand fairly brisk. Corn active and broad but had narrow range and closed lower, Chicago December corn 49 5/8¢. Chicago December wheat higher at \$1.12 1/8. In Chicago cash market: No. 2 red winter wheat \$1.24; No. 2 hard winter wheat \$1.14; No. 2 mixed corn 52¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 36¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.06; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market active, bulk of sales \$6.85 to \$7. Beef steers steady to 25¢ lower; medium and good beef steers \$6 to \$10.25; butcher cows and heifers \$3.35 to \$9. Fat lambs steady at \$8.75 to \$10.10.

Potato demand and movement limited; markets nearly steady. Prices f.o.b. shipping points: New York sacked Round Whites steady at \$1.65 per 100 lbs. Maine Green Mountains in bulk down 5¢ at \$1.31 per 100 lbs. Massachusetts Yellow Globe Onions firm at \$5.25 to \$5.50. New Jersey sweet potatoes \$1.75 to \$2.15 per bushel hamper in Chicago, New York and Pittsburgh.

Western hay markets weaker. Country loading for Chicago market reported heavier. Southern markets continue dull. New York market strong under light receipts. Feed markets quiet, offerings fair. Receipts and stocks generally good.

Butter market firmer than of late. Imports light but further offerings being made. Cheese markets continue quiet. Firmer Canadian markets have resulted in lighter imports into United States.

Spot cotton down 39 points closing at 17.67¢ per lb. New York December future down 47 points at 18¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Nov. 25: Average closing price 20 industrials 77.31, as compared with 75.53 corresponding day 1920; average closing price 20 railroad stocks 75.17, as compared with 78.83. (Wall St. Jour., Nov. 26.)



UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 48.

Section 1.

November 28, 1921.

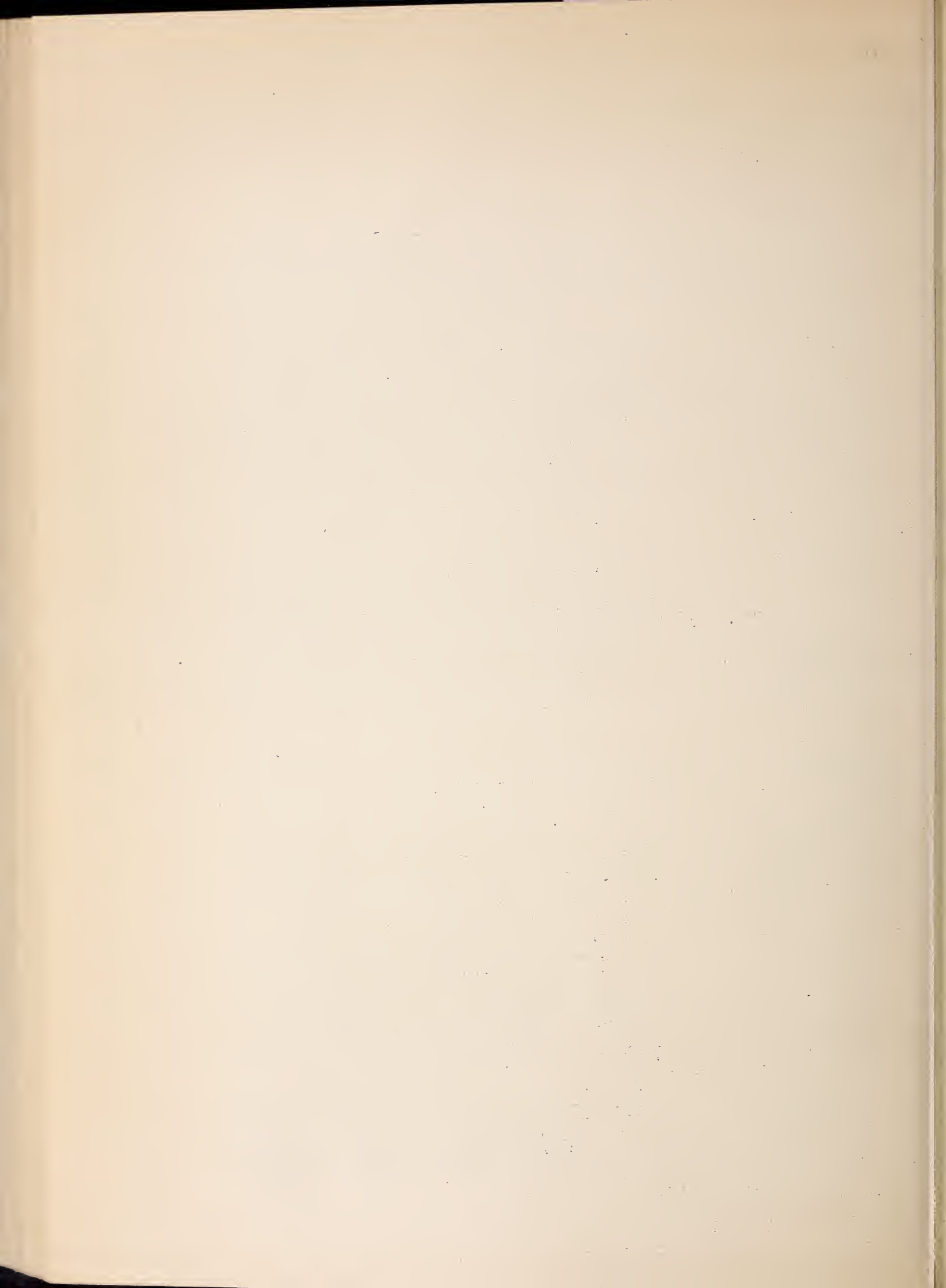
Packers' Decree Investigation to determine the advisability of recommending to the District of Columbia Supreme Court a modification of the Big Five Packers' consent decree to enable them to resume operation of unrelated industries will begin to-day before a joint committee formed by the Attorney General. The committee consists of Herman J. Galloway, of the Department of Justice, chairman; Bayard T. Hainer, attorney for the packers and stock yards' administration of the Department of Agriculture, and F. C. Hall, of the Department of Commerce. (Press, Nov. 28.)

Farmers Back Arms Cut "C. S. Barrett, president of the National Board of Farm Organizations and also of the National Farmers' Union, Nov. 26 issued a call for agricultural leaders to meet the delegates to the Conference on the Limitation of Armament on Dec. 6, so that agriculture will be brought squarely back of a movement to bring about a condition that would outlaw wars. A meeting will be held at the headquarters of the National Board of Farm Organizations on the date indicated, and President Harding and his Cabinet will be invited." (N. Y. Times, Nov. 27.)

Marketing Data Report A report on the marketing and transportation facilities of the country will be made public within a few days by the Congressional Joint Commission of Agricultural Inquiry, of which Representative Anderson is chairman. The policy of the investigation has been to determine the basic facts of the relation of the railroads to the shippers and receivers of commodities. The object of the investigation is to make possible recommendations for legislation which would remedy existing conditions. (Press, Nov. 28.)

Rail Wages Railroad wage figures supplied by executives to the Interstate Commerce Commission and the Railroad Labor Board were branded as "statistical fallacies" by Frank J. Warne, economist for the brotherhoods, in a further discussion Nov. 26 of railroad questions before the Senate Interstate Commerce Committee. (Press, Nov. 28.)

Ohio Students Best Live-Stock Judges Students from Ohio State University won first place in the collegiate live-stock judging contest held Nov. 26 at International Live-Stock Exposition, at Chicago. The Ohio team scored 4,178 points out of a possible 5000, winning first honors in placing of sheep and horses. (Press, Nov. 28.)



Section 2.

Cooperation

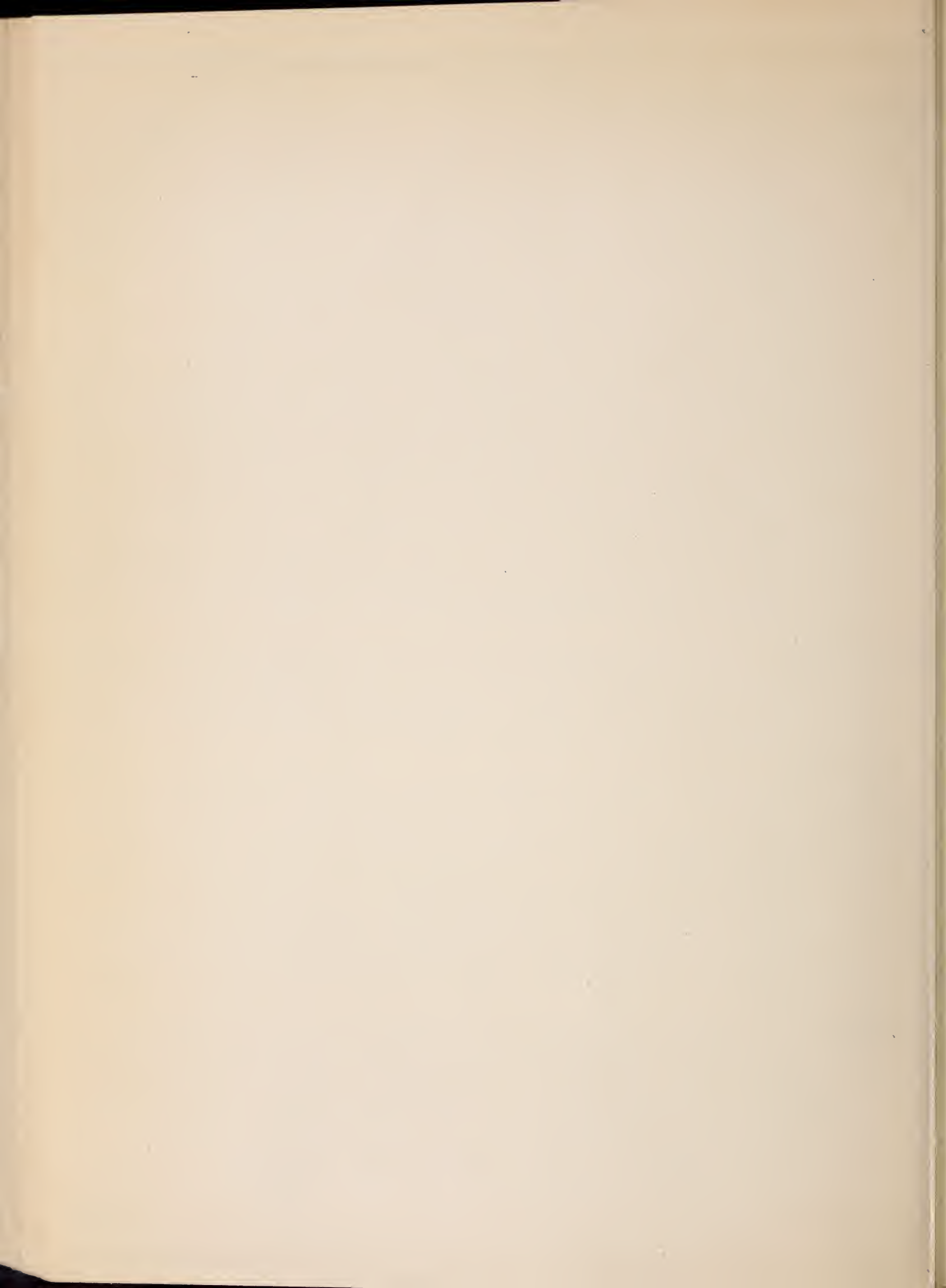
"Is Farm Cooperative Movement a Menace to Business?" is the title of a lengthy article by Theodore M. Knappen in The Magazine of Wall Street, Nov. 26. This says in part: "Behind both their legislative and economic programs is a definite program of modernization of the business of farming on its buying and selling side, which bears a close analogy to the familiar consolidation and integration of manufacturing and transportation industries. In its last analysis this program aims at nothing less than the consummation of the greatest business control in the world - that of the \$80,000,000,000 American farm industry. The 6,500,000 farmers of the country, representing with their families and employees at least one-third of the population of the country, are to be economically emancipated through the tireless industry, the sagacity and the resources of the farm bureau. No more, if the farm bureaus prevail - as they bid fair to do - is the farmer to be the national universal goat; the chief absorber of readjustment shocks, the eternal buyer at sellers' prices and the traditional seller at buyers' prices, the chief depositor and the smallest borrower in banks. Cooperative corporations of regional and national scope are springing up like weeds to effect the 'orderly marketing' of everything that is produced on the farm, having as their feeders local cooperative associations. ... Such a stupendous thing as the commercial and financial consolidation of the enormous American agricultural industry, representing one-third of the wealth of the nation, is a phenomenon that should command the interest of every man with a business stake. ..."

Corn as Fuel

1. The board of supervisors of Pocahontas County, Iowa, has ordered the county auditor to buy corn for use as heating fuel this winter in the courthouse, county home and insane infirmary. This is the first official action taken in Iowa calling for the burning of corn instead of coal. (Press, Nov. 27.)
2. An editorial in Wallaces' Farmer, Nov. 25 says: "Rather than sell corn at from 20 to 30 cents a bushel it pays in many localities to burn it instead of coal. Nevertheless, we wish to advise all of our readers who are financially able to do so to hold their corn rather than burn it. Corn is almost certain to double in price within two or three years and the prospects are that there will be a very material rise after the first of April. Tenants who have to move March 1 may find it advisable to burn considerable corn. All farmers who have a choice in the matter, however, will be doing the wise thing to hold their corn or feed it to live stock rather than to burn it."

Corn Prices

"There are just two ways of raising corn prices in 1922 from the present ruinously low level to a point approximating cost of production. Providence may send a dry, hot July and August, such as ordinarily comes but once in a quarter of a century, and cut the corn crop sufficiently to raise the price high enough to equal cost of production. Since the chances are twenty-five to one against a serious drought, the one and only certain way of raising corn prices is to cut the acreage by 25 per cent." (Wallaces' Farmer, Nov. 25.)



German
Conditions

1. Director Hans Kramer, one of the most prominent of German industrialists, who was selected to preside over the economic experts who prepared the German proposals for the London conference, and who is regarded as one of the best-informed and far-seeing German manufacturers, declared Nov. 25 that the proposed confiscation of 25 per cent of the capital stock of industrial enterprise for reparations purposes would turn over the control of German industry to foreign capital. His investigations showed that foreign investments in German industry have already amounted to ten or twelve billions of gold marks, or about one-fifth of the total value here on industrial equipment, and the surrender of another quarter into foreign hands would seal the fate of independent German industry. He declared pessimistically that he expected an economic collapse in May, which would be followed next year by a collapse in the food situation. (Berlin dispatch to Phila. Ledger, Nov. 26.)
2. Germany's efforts at economic recovery appear to be due for a setback, according to a survey of conditions made public Nov. 25 by the Department of Commerce. "German financial and industrial circles, the survey says, "seem to be in the midst of a feverish activity, but this condition is likely to meet with a severe reaction when the necessity arises for purchasing large amounts of foreign raw material with the greatly depreciated German mark and when the results of the present over-purchasing by German consumers manifests itself." (Assoc. Press, Nov. 26.)

Grain Rates
and Western
Trade

A special dispatch from Chicago to The New York Times to-day says in part: "It is the general belief of the grain trade, wholesalers and bankers that business conditions in the West would be immeasurably improved by an advance of 10 cents per bushel in corn and a material reduction in freight rates on all commodities. The low price for grain is the one big drawback for a big business, as the purchasing power of the farmers is limited with corn bringing less than the cost of production. But there are strong indications now that a concerted effort will be made by the War Finance Corporation at its meeting here Wednesday to bring about an advance by loaning sufficient money to enable the holding back of distressed grain from the market. It is figured that it would take less than \$50,000,000 to result in nearly 200,000,000 bushels of corn that normally seeks terminal markets being held back on the farm, or else fed to live stock. ... "

Grain
Storage

Fire underwriters in Lake Shore cities of Wisconsin are finding that the practice of storing grain in lake freight boats during the winter season is growing. (Jour. of Commerce, Nov. 26.)

Hog
Marketing

An editorial in Wallaces' Farmer, Nov. 25 says: "It is interesting that Canada, which produces less than half as many hogs as Iowa, should take such great interest in competing with Denmark for the British market. Isn't it about time that we in the corn belt, and especially in Iowa, should begin to give a little serious thought to selling our surplus pork products? Exports of pork products mean as much to the prosperity of Iowa as exports of wheat mean to Kansas or exports of cotton to Texas. Iowa furnishes more pork products for



international trade than any country outside of the United States and more than any other three states within the United States put together. And yet for some mysterious reason, Iowa acts as though she had no particular interest in the pork export trade. ... It is time for us in Iowa to consider ways of cooperating with the packers in the pork export trade. Or if this does not work out it may be worth while gradually to try out in a small way, cooperative hog slaughtering plants after the style of Denmark.

live-Stock
marketing

In leading the discussion on live-stock marketing at the Atlanta convention of the American Farm Bureau Federation, Nov. 22, Herbert W. Mumford, director of live-stock marketing for the Illinois Agricultural Association and member of the live-stock marketing Committee of Fifteen, stated, in outlining the needs for adequate marketing of live stock by cooperation organizations: That there are three or four fundamental considerations upon which live-stock producers are pretty well agreed: (1) That the costs of marketing are too high; (2) That the fluctuation in prices from day to day are disastrous; (3) That the present methods of handling stockers and feeders from producers to feed lot is unsatisfactory both to the producer of the feeders and to the corn belt finisher ...; (5) That there is a lack of dependable information concerning the supply of and demand for live stock both as to quantity and kind. (A.F.B.F. Weekly News Letter, Nov. 22.)

Rice

"Farmers are holding their rice for better prices, is the explanation given for the slow movement of that market. There are only two mills operating. The sales of rough rice reported so far this month in New Orleans amount to 658 bags, as compared with 4058 bags this time last month." (N.O. dispatch to Press, Nov. 25.)

Section 3.

Department of
Agriculture

Referring to the survey of unused land to be made by direction of Secretary Wallace, Implement Tractor and Trade Journal, Nov. 19, says: "This is information that the people of the United States should have. They should be more familiar with their agricultural resources. It is the popular idea that there is still much unused land that could be put under cultivation, if there were more farmers. This is undoubtedly true, but the actual knowledge that most of us have in this regard is meager. One can easily see that there is much land yet to be drained or irrigated which at some time in the future will add vastly to the nation's agricultural wealth. But from the practical here-and-now viewpoint many of these potentialities are to be discounted because it will cost such huge sums to bring these undeveloped lands into production. ... Doubtless the work that the Department of Agriculture has undertaken should have been done several years ago when there was a vague but persistent agitation for the preparation of new land for the soldiers upon their return. That water, however, has gone over the dam. Yet it would be difficult to think of an agricultural survey that holds such possibilities for our future wealth as the work to be done by this committee."

Section 4.
MARKET QUOTATIONS.

Farm Products

During the week ended Nov. 26 grain prices trended upward, influenced by drouth news from Australia, Argentina and Southwest; big decrease in the visible supply, and a larger interest in buying side of market. Corn had good domestic and export demand.

Butter market firmer following recent slump. Consumptive demand good. Storage butter still slow account liberal supplies of fresh. Cheese markets quiet in line with usual dullness at this season.

Timothy markets in central west generally stronger than a week ago. Prices up about 50¢ per ton but country loadings are increasing and demand is limited. Alfalfa prices unchanged. Feed markets quiet, offerings fair. Receipts and stocks generally good.

Potatoes in limited demand during the week; markets slow and dull; supplies liberal. Haulings light in producing sections. Onion markets generally steady to firm; demand limited. Apples slow and dull in city markets. Cabbage markets firm in East, weaker in West. New York Danish type \$45 to \$50 per ton bulk in most city markets at close.

Chicago live stock prices trended upward. Fat lambs advanced \$1 to \$1.25 per 100 lbs.; fat ewes 75¢ to \$1; feeder lambs strong to 25¢ higher. Veal up \$1. Beef steers, and butcher cows and heifers up 25 to 50¢. Stockers and feeders advanced 15 to 25¢. Hogs up 15 to 25¢.

Spot cotton advanced 37 points closing at 17.35¢ per lb. New York December futures up 50 points at 17.65¢.

Nov. 26: Lack of buying support caused early grain selling, but there was a rally at close. Export demand fair. Corn lower with wheat. Country offerings small. Chicago December wheat higher at \$1.12 1/4; Chicago December corn lower at 49¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.24; No. 2 hard winter wheat \$1.14; No. 2 mixed corn 51¢; No. 3 white oats 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34 1/2¢; to farmers in Central Kansas for No. 2 hard winter wheat 94¢.

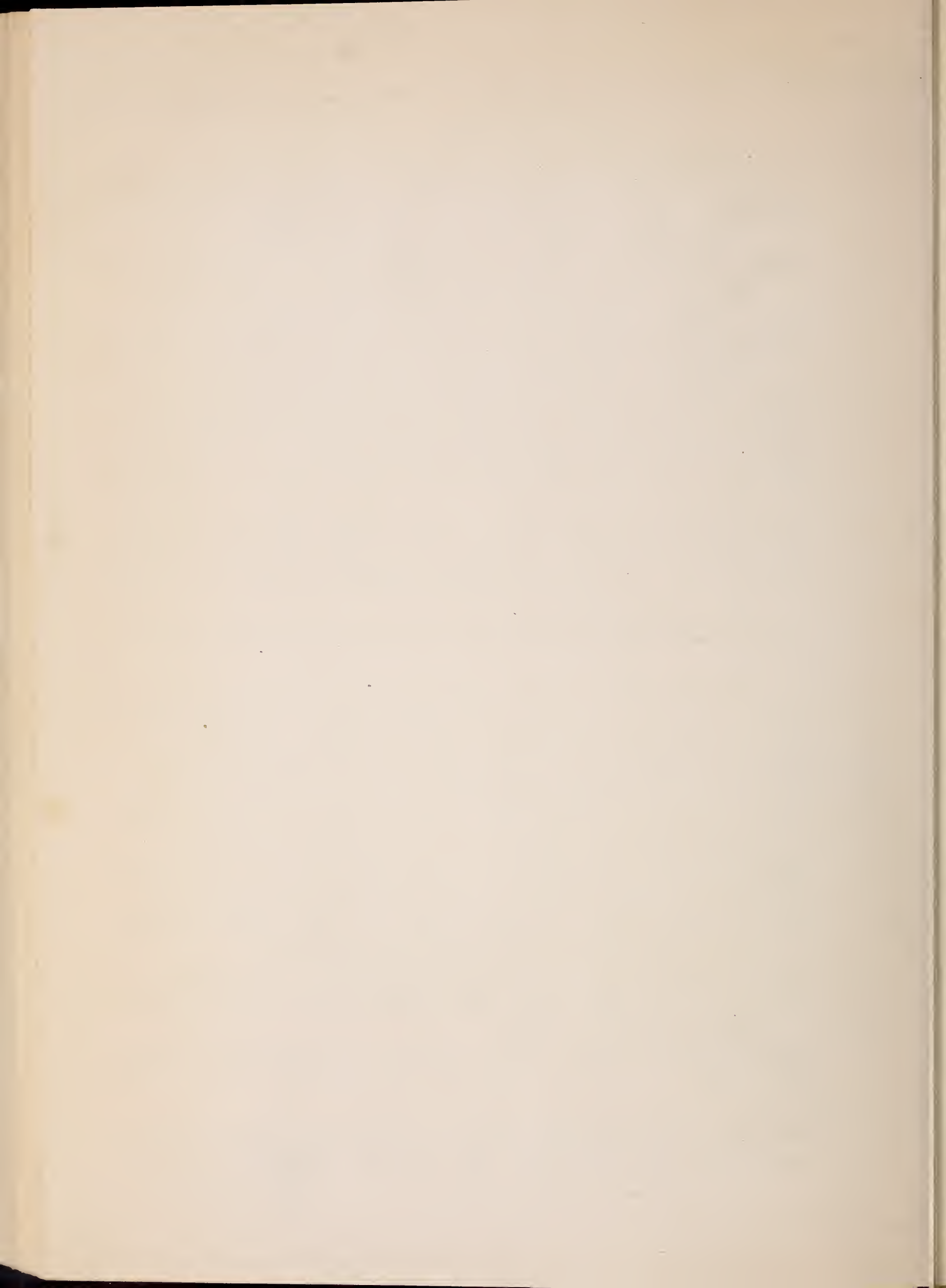
Chicago hog market higher, bulk of sales \$6.85 to \$7.10. Cattle and sheep prices practically unchanged: Medium and good beef steers \$6 to \$10.25; butcher cows and heifers \$3.35 to \$8; feeder steers \$4.60 to \$6.60; light and medium weight veal calves \$5.50 to \$8.25; fat lambs \$8.75 to \$10; feeding lambs \$7.50 to \$8.50.

Chicago potato market down 10¢; other cities about steady. Prices at shipping points: New York Round Whites steady at \$1.65 per 100 lbs. sacked; Massachusetts Yellow Globe onions steady at \$5.25 to \$5.50 per 100 lbs. sacked.

Spot cotton down 32 points, closing at 17.35¢ per lb. New York December futures down 35 points, at 17.65¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Nov. 26: Average closing price 20 industrials, 77.85; as compared with 75.46 corresponding day 1920; average closing price 20 railroad stocks 75.60, as compared with 78.53. (Wall St. Jour., Nov. 28.)



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Vol. III, no. 49,

Section 1.

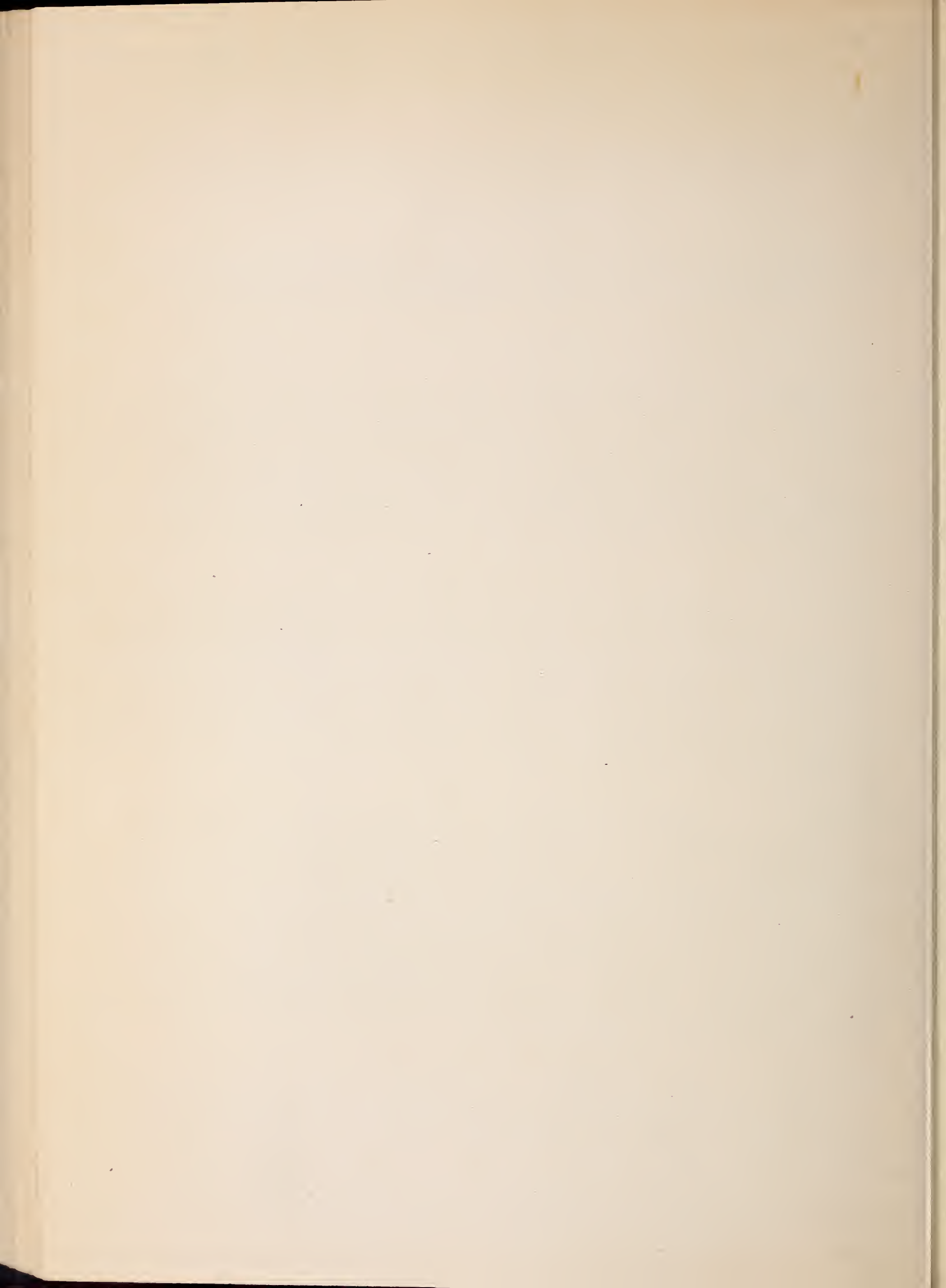
November 29, 1921.

Secretary Wallace Predicts Slow Recovery of Agriculture The present depression is the most severe in the history of American farming, and it will take fully five years to recover from it, Secretary Wallace said Nov. 28, in an address at the annual meeting of the United States Live Stock Sanitary Association, according to a Chicago dispatch to the press of to-day. He added: "The method of distribution of farm products must be placed on a sound basis, eliminating the middleman where necessary, if his services have no economic value."

Live-Stock Law Test Hearing of two bills filed as test suits attacking the constitutionality of the Stockyards Act of 1921, so far as it governs live-stock traders and commission men, will be held to-day before Judge Kenesaw M. Landis, who will be asked to issue a restraining order against District Attorney Clyne and Secretary of Agriculture Henry C. Wallace preventing them from carrying out the provisions of the act. Commission men in every packing center in the United States will abide by the outcome of the suits, attorneys declared. (Chic. dispatch to press of Nov. 29.)

Packers' Case Conflicting views as to the advisability of modifying the consent decree which requires the "Big Five" meat packers to give up the handling of "side-line" products were expressed Nov. 28 by representatives of California fruit growers and canners at the opening sessions of a hearing before a special Government commission. After Vernon Campbell, general manager of the California Co-operative Canners' Association, had urged modification of the decree to "save the public from the clutches of wholesale grocers" and to insure cheaper distribution of canned fruit products, Elmer Chase, president, and Preston McKinney, secretary of the Canners' League of California, as vigorously expressed opposition to any change in the court order which prevents the packers from distributing canned and dried fruit. (Press, Nov. 29.)

Rail Rates "The forthcoming investigation by the Interstate Commerce Commission into the whole railroad situation is giving promise of becoming one of the most important and helpful economic surveys of the country that has been attempted since the war. It will be begun in a far more optimistic atmosphere than would have seemed possible a few months ago, and this reflects a generally hopeful point of view in Washington that was lacking in last midsummer. It is the understanding that the commission has completed and approved a comprehensive program for the conduct of the investigation, scheduled to commence on December



14, and to bring to Washington, where the hearings will be held, the best-informed spokesmen for the carriers, the shippers and business. It is also clearly indicated that an important period of downward railroad rate adjustment is at hand, which cannot fail to give a helpful stimulus to all lines of business, to speed up industry, assist the farmers in marketing their crops, and result in a decided impetus to the rather slow progress toward normal conditions." (G.R. Brown, in Wash. Post, Nov. 29.)

Section 2.

Agricultural Financing 1. During the week ending Nov. 26, 1921, the War Finance Corporation approved and announced 198 advances, aggregating \$7,725,000, for agricultural and live-stock purposes, in 21 states. The corporation also approved advances, totaling \$1,380,000, to exporters during the week ending Nov. 26, as follows: On cotton, \$1,000,000; on textile products, \$200,000; on iron products, \$180,000. (W. F. C. press statement, Nov. 28.)

2. The War Finance Corporation has approved fifty-seven advances, aggregating \$2,505,000, for agricultural and live-stock purposes, in Nebraska, Montana, Colorado, Wisconsin, Illinois, Kansas, Minnesota, North Dakota, South Dakota, Iowa, South Carolina, Texas and Georgia. (W. F. C. press statement, Nov. 28.)

Corn as Credit The "Madelia Plan" under which merchants have agreed to accept corn from farmers at ten cents above the current market price in settlement of old accounts and in payment for goods went into operation Nov. 26, and is meeting with favor among corn growers, backers of the project said Nov. 28. The plan is operative until December 13. Each farmer is limited to the disposal of 100 bushels. (Madelia, Minn., dispatch to press of Nov. 29.)

Cotton Acreage "It is a condition and not a fact that confronts the cotton market. There is no use, in talking about the farmer declaring he will not plant the usual acreage and then putting out all he can. All conditions are against such a course. If the weevil is to be fought successfully, it must be by a system of crop diversification and rotation. Hopes of increase in production must come through cultural methods - producing more to an acre of ground - which cannot be done in one season. As for the acreage to be planted in the season of 1922, necessity calls for something considerably below normal. It is well to face the fact at once." (The Wall St. Journal, Nov. 28.)

Cotton Marketing Cotton marketing associations in the South will market \$50,000,000 worth of cotton this year, according to C. O. Moser, secretary of the American Cotton Growers' Exchange. According to Mr. Moser, there are approximately 100,000 growers who have signed binding contracts for five years or more. He states that cotton is now being marketed in Oklahoma and Texas at an average profit of more than \$150 a member above street buyers' prices or at a grand total profit exceeding \$15,000,000 for the membership. (Amer. Farm Bur. Fed. Weekly News Letter, Nov. 23.)

Cow Champion A new milk-producing champion for the territory east of the Rockies has been discovered in Kolrain FINDERNE Bess, a Holstein cow owned by F. F. Field, Dutchland Holstein Farms, Brockton, Mass. Her record is 32,563 pounds of milk in one year. (Press, Nov. 29.)

Crops in
Canada

That conditions in the Canadian West are far from favorable is the opinion expressed by executives of banks, who say that if the western farmer breaks even this year he will be lucky. Despite the heavy shipments to and from the head of the lakes, bankers say the unsold crop is larger than for years past. Much of the grain moving East is going to seaboard storage. Farmers are consequently slow in meeting their notes and banks look to the necessity of carrying the West over for some time to come. (Montreal dispatch to N. Y. Times, Nov. 29.)

Disarmament
and Prices

In an editorial on "The Effect of Disarmament," The Financial Age for Nov. 26 says: "The stock markets have not advanced sensation-ally at all in response to this very striking and interesting development. Their comparative inaction has occasioned some surprise when as a matter of fact there is not very much to be surprised at in view of the reaction shown on frequent occasions of striking world developments. It will be remembered that the stock market declined after the armistice was signed and that there was more or less selling of shares for a fortnight or more after the passage of the Federal Reserve Act at the close of 1913. It must not be forgotten also that the market actually broke after the first great free silver campaign in 1896 and that it has utterly failed on various other occasions to advance at all sharply following announcements of nation-wide and even world-wide importance. The fact remains, however, that the early success of this great disarmament conference forecasts a series of striking developments which must have a very helpful effect on prices in the future."

Freight
Rates

"Vicarious Generosity" is the title of an editorial in The Wall Street Journal for Nov. 28, which says: "Partial relief to a bad situation by the Interstate Commerce Commission takes the expected form of robbing Peter to pay Paul. Hence the order to reduce freight rates on hay and grain between the Mississippi and Pacific Coast points. Cheaper rates are a necessity, but the manner of getting them is so uneconomic that even the supposed beneficiaries may eventually suffer. It is true the Interstate Commerce Commission could take no other course in giving relief to farmers of that territory. It is the fault of a law which foists a double-headed authority on the transportation business, each independent of the other. ... High freight rates have been a contributing cause to the depression in farm prices. In the past year there have been frequent cases where farmers have shipped staple products to market and got nothing in return but a bill for freight. This may indicate that rates should be cheaper but it does not prove that the railroads can furnish transportation for less. ... The basic trouble is only too well known. Everyone should know what are the principal costs in the production of transportation. Everyone knows how those costs compare with other prices to-day. A simple statement of the case should be enough to satisfy anyone that, in the interest of the whole country, those costs should no longer be fixed by a body that does not consider, and perhaps does not care, what is the price received for the service. Good business sense demands that the man or body of men who fix the selling price of any article should know all about the cost of its production."



International
Finance

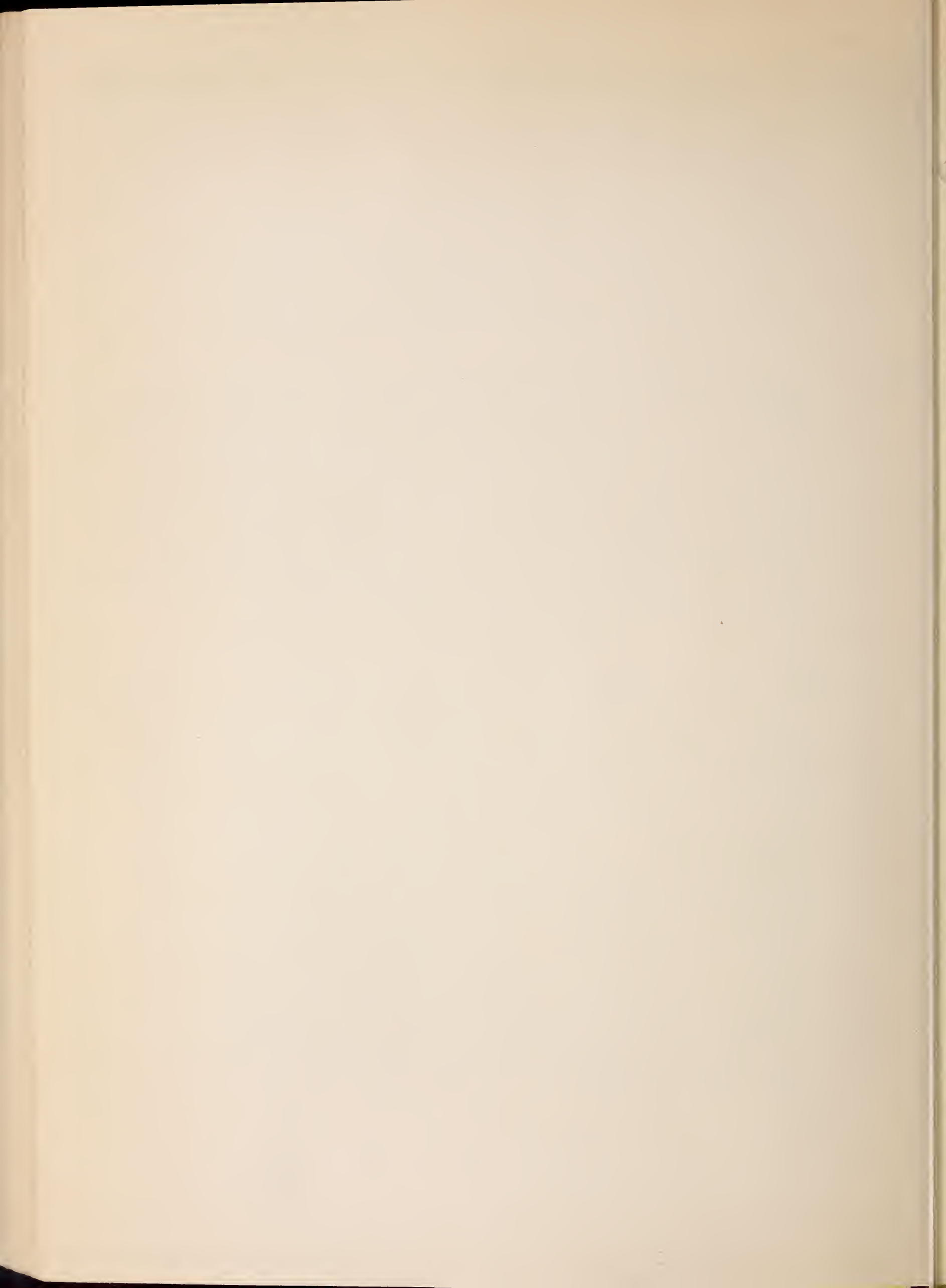
Recognition by the Allies of their \$11,000,000,000 debt to America as a just debt, agreement by this country to easy payments and the money thus repaid to be used in rehabilitating Europe, was proposed Nov. 28 by Frank A. Vanderlip, New York banker, as means of settling the obligations of the war. Mr. Vanderlip, who returned recently from Europe, spoke before the New York Economic Club. He said he had discussed the debt with the leading responsible Government ministers and financiers of Europe, and nearly every nation admitted inability to pay. The United States would be hurt as much by the rapid receipt of payment in the form of goods, the only possible form of payment in view of the demoralization of foreign exchange, he said, as the debtors would be harmed in making the payment. (Press, Nov. 29.)

Tobacco
Industry

"How Tobacco Industry has Fared Under Readjustment Changes Effected Since Last Year - What the Industry Comprises - The Future" are the title and subtitle of an article by E. D. King, in The Magazine of Wall Street for Nov. 26. In this the author says: "Conditions in the tobacco industry have changed greatly since last year, and while there are signs of revival here and there in various sections of the country, the situation at large certainly does not present as pleasant an aspect as was the case a year ago. There have been two salient developments: (1) the change in demand from the medium and high-priced tobaccos to those of cheaper grade, which was the result of the fall in earning power throughout the country; and (2) the gradual crumbling of the price structure."

Section 3.Department of L.
Agriculture

New York Produce Review and American Creamery for Nov. 23 says in an editorial: "With a full appreciation of the need of the utmost promptness in the periodical compilation of cold storage holdings of staple food products the Review believes that the Bureau of Markets is open to criticism for the publication of preliminary figures before enough information is at hand to make them substantially accurate. The rate of output of butter and eggs from the warehouses of the country at this season of year is vital to the trade estimation of normal values, and errors so great as were made this month in the preliminary reports of holdings November 1 are costly by creating false impressions. The Review has no information of the reason for issuing the preliminary report so much earlier this month than has been usual in the past. If it were possible to get in a sufficient number of reports to make a substantially reliable statement by the fourth or fifth of each month it would be excellent service. But a greatly erroneous report is far worse than none at all and we think that all preliminary reports, issued before practically all of the returns have been received, should state the exact facts upon which the estimate is based so that dealers may know how much credence is to be given to them."



Department of 2. "Government Sees Value in Ponds and Swamps" is the title of an
Agriculture editorial in The Wisconsin Farmer for Nov. 24, which says: "There appear to be two sides to almost all propositions. I am reminded anew of this fact by a letter from E. W. Nelson, chief of the United States Bureau of Biological Survey, in favor of conserving our inland lakes and marshes. Mr. Nelson points out that it is a mistaken idea that draining the water from any given area is a benefit to the community. In most sections, under intelligent management, swamps and marshes will yield a larger return than the same area with the water drained off and devoted to agriculture. ... Most of us are accustomed to think that the draining of our marshes, ponds and smaller lakes cannot be brought about too soon, but there can be no doubt that sometimes this process has an injurious effect upon streams and springs and wells and also promotes erosion of fields and pastures. In many instances it might prove that the advantages accruing to the larger public by the conservation of water areas would outweigh the more local ones that might be brought about by drainage."

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 28: Chicago wheat trade broad; receipts light; visible supply 48,741,000 bus., a decrease of 2,136,000 bus. for week. Corn lower, but rallied later affected by wheat; visible supply 1,314,000 bus., a decrease of 624,000 bus. for week. Chicago December wheat higher at \$1.14 1/2; Chicago December corn unchanged at 49¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.27; No. 2 hard winter wheat \$1.16; No. 2 mixed corn 50¢; No. 2 yellow corn 51¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.10 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 98¢.

Chicago hog market lower, bulk of sales \$6.85 to \$7. Beef steers weak to lower; medium and good beef steers \$6 to \$10.25; butcher cows and heifers strong to 15¢ higher at \$3.35 to \$8. Fat lambs steady to strong at \$8.75 to \$10.25.

New York and Chicago potato markets generally steady; other Eastern markets slightly weak. Prices f.o.b. shipping points: New York Round Whites steady at \$1.65 per 100 lbs.; Maine bulk Green Mountains steady at \$1.31 to \$1.36; New York Danish type cabbage at \$37 to \$38 per ton bulk.

Hay markets about unchanged; only fair demand in most markets: Clover selling above timothy in central western markets. Wheat feed offerings somewhat better and slightly easier tendency prevails. Country trade buying lightly.

Butter markets more firm; consumptive demand good. Cheese markets have usual seasonal dullness.

Spot cotton lower at 17.32¢ per lb. New York December future higher at 17.90¢ per lb. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Nov. 28: Average closing price 20 industrials 78.01, as compared with 76.18 corresponding day 1920; average closing price 20 railroad stocks 76.06, as compared with 78.52. (Wall St. Jour., Nov. 29.)



UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Librarians' daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 50

Section 1.

November 30, 1921

Live-Stock Act

"District Attorney Clyne, of Chicago, Nov. 29 agreed not to attempt to enforce the live-stock trading act, passed August 15 by Congress, until a hearing is held to test its constitutionality. Penalty features for failure to obey its provisions were to have become effective December 1. Judge Kenesaw M. Landis set December 2 for a hearing on the constitutionality, and refused, on the strength of Mr. Clyne's promise, to issue a temporary injunction restraining the district attorney and Henry Wallace, Secretary of Agriculture, from interfering with live-stock traders and commission men at the Chicago stock yards. Attorneys for the dealers yesterday asked an injunction on the ground that their business is confined to local yards and is not subject to regulation by Congress since intra-state traffic is not involved." (Press, Nov. 30.)

Tariff Legislation

Chairman Penrose, of the Senate Finance Committee, announced Nov. 29 that hearings on the permanent tariff bill would be resumed on December 7. The tobacco schedule will be taken up first and the cotton schedule next. Chairman Penrose also made known that he had replied to requests for a reopening of the American valuation question with a statement that the hearings on that subject had been definitely closed and that no further discussion was contemplated. It developed yesterday also that the gathering of data on costs and wholesale prices by the Treasury Department, upon which to base the rates for the application of the American valuation principle would not be complete before late in December. This was regarded as indicating that no work in the direction of actually re-drafting the tariff bill could begin until after the first of the year. Several members of the committee held to the belief, however, that the work could be started earlier. (Press, Nov. 30.)

Financing Corn Belt Farmers

Solution of the need of farmers in the corn belt for financial assistance rests with local bankers and farmers cooperating with the state committees of the Government's War Finance Corporation, Eugene C. Meyer, Jr., managing director of the corporation, declared at Indianapolis, Nov. 29, in addressing a meeting of Indiana bankers and farmers. Unlimited Government funds may be made available for the credit of the farmers, Mr. Meyer said, while Gov. Warren T. McCray of Indiana, chairman of the corporation's advisory committee on the needs of the corn belt farmers, estimated a minimum of \$200,000,000 would be required to finance farmers in holding their surplus corn on the farms for an orderly marketing of this year's bumper crop. Indiana bankers declared their willingness to cooperate in extending credit, promising to lend money on corn in the crib. With the view of obtaining similar action in other states, the advisory committee directed Gov. McCray to call a meeting of governors at Chicago next Friday to arrange for other state-wide gatherings. (Assoc. Press, Nov. 30.)



Section 2.

Agricultural
Financing

The War Finance Corporation has approved seventy-one advances aggregating \$2,272,000, for agricultural and live-stock purposes, in Nebraska, Colorado, Montana, Illinois, Indiana, Iowa, Kansas, Minnesota, South Dakota, North Dakota, Wisconsin, Ohio, Georgia and Texas. (W. F. C. press statement, Nov. 29.)

Cooperation
in Ireland

"The Message of the Farmers of Ireland" is the title of an article by Sir Horace Plunkett in The Survey for Nov. 26. In this extensive article the author reviews agricultural cooperation in Ireland - its origin, achievement and aim since the founding of the movement 32 years ago. He says in part: "We have learned in Ireland, and would impress upon all rural communities which have become backward owing to the concentration of all that is best in thought and feeling for public welfare upon the problem of the cities: (1) The vital need of thorough organization upon cooperative lines; (2) the paramount importance of reliance upon voluntary effort rather than upon state assistance, in the sure belief that what by intelligent combination we can do for ourselves is immeasurably more beneficial than what the best of governments can do for us; and (3) the insistence upon building up rural society on its three sides; namely, the technical side, the commercial or business side and the social and intellectual side."

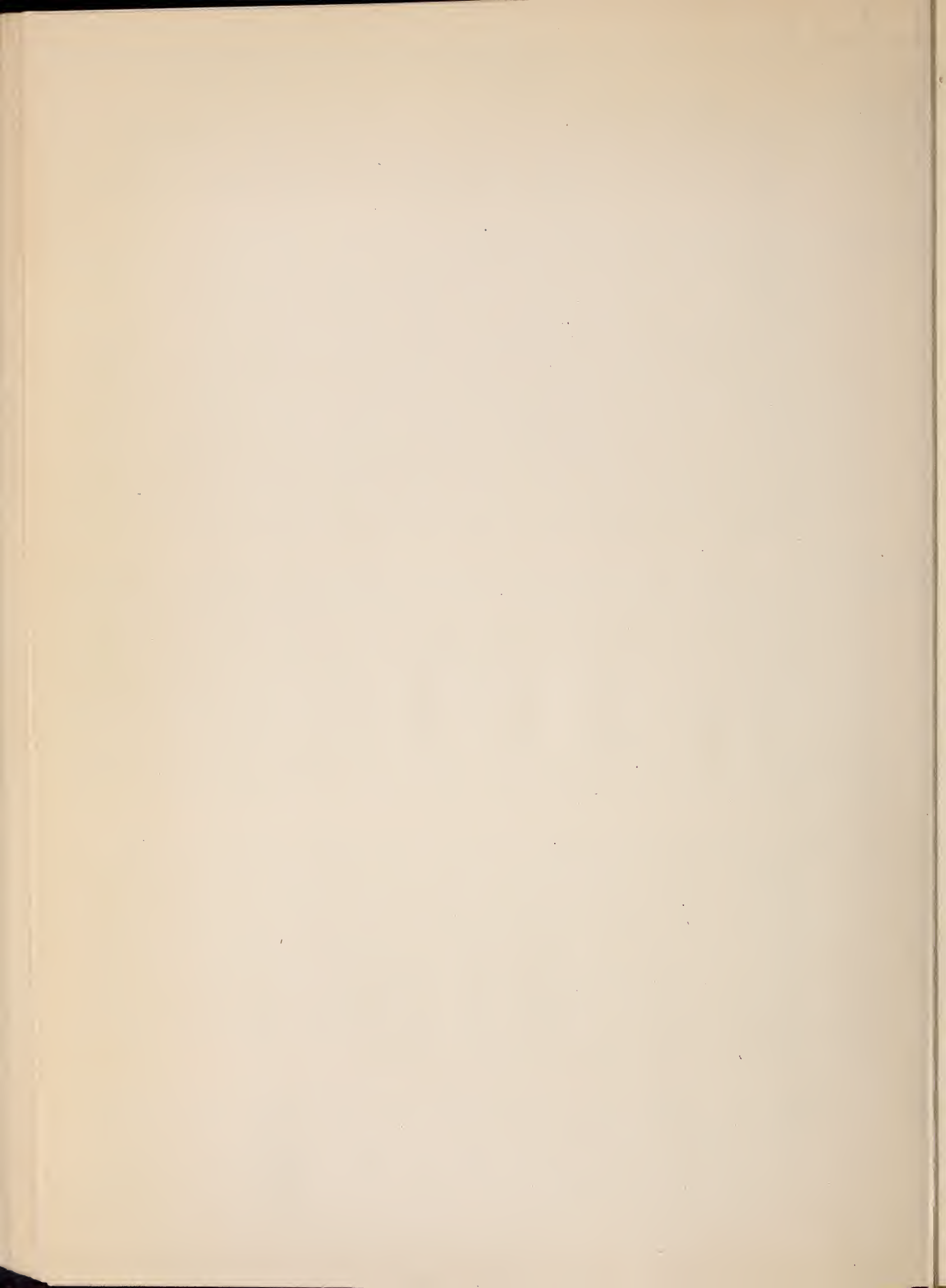
Cooperative
Marketing

1. The first of the farmer-owned and controlled cooperative commission firms to be established at the various live-stock markets of the country as a part of the plan of the Committee of Fifteen will open for business at National Stock Yards, Ills., on or about Jan. 1, 1922. The new firm will be called the Producers' Live Stock Commission Association and will have its headquarters at 34 and 35 Exchange Building National Stock Yards, Ills. Local cooperative shippers and individual shippers will be given an opportunity to take membership in the new association. Among the advantages of such membership is the fact that live stock will be bought and sold at cost, all profits being prorated back to shippers on the basis of the amount of business done. (Ills. Agric. Ass. News Letter, Nov. 17.)

2. "Nothing succeeds like success. Cooperation when well managed succeeds so well that those who have conducted the market end of the farmers' efforts for their own profit are getting a bit worried. The Farmers' Union has an honest to goodness live-stock commission market at Omaha, St. Joseph, and Sioux City, that now ranks first in sales of live stock. The Omaha office handled 4,337 cars in 1920 and 5,047 in 1921. The St. Joseph house handled 1,706 cars in 1920 and 2,287 cars in 1921. At Sioux City the Farmers' Union live-stock commission house handled 870 cars in 1920 and 1,179 cars in 1921. These three commission houses owned and operated by the farmers saved in two years \$158,339." (Successful Farming, December.)

Corn as
Fuel

1. "Is it Economical to Burn Fuel?" is the title of an editorial in The Farmer (St. Paul) for Nov. 26, which says in part: "Recently Prof. E. A. Stuart of the Minnesota Experiment Station declared that with ear corn at 26 cents a bushel or less, compared with present prices of coal, it is economical for Minnesota farmers to burn corn in place of coal. Secretary Wallace of the U. S. Department of Agriculture has



also supported the burning of corn, and has issued a public statement to that effect. ... In this connection it is interesting to note a recent dispatch in the daily press from Windom, Minn., which said: 'A number of town people and farmers are now using corn, and Windom is to give the use of corn as fuel a thorough test at the municipal water and light plant.' All of this should have a salutary effect upon the price of coal. It also should have a wholesome effect upon the price of corn. ... The question whether it is more profitable to burn corn than to feed it is an entirely different one. In most corn sections there is enough for both purposes. But where there is only enough corn for feed, it is probably better to feed it. You can still figure on 10 to 11 bushels of shelled corn per 100 pounds of gain on hogs."

2. "An interesting sidelight on the matter of using corn for fuel is contained in a statement in the New York Times by F. F. Uehling, a combustion engineer. According to this authority, corn makes a good fuel, as it averages about 8,000 heat units per pound as compared with about 12,000 heat units for average coal. It has been used for coal in this country before, and tests are on record as to its merits for steam-boiler use which corroborate the statement of the Secretary of Agriculture that corn at 20 cents per bushel is equivalent to coal at \$10 per ton. ... On the basis of heat units contained, Mr. Uehling states that the 1920 corn crop alone contained enough heat units to meet the entire normal fuel requirements of all industrial plants in this country for about six months, or of domestic consumers for about ten months. The most interesting statement brought out by Mr. Uehling is that coal or other natural fuel was at one time vegetable matter stored away by nature in prehistoric times. The carbon of coal is but nature's changing and storage of such products as the starch in the ears of corn. If it ever should become necessary, the farms of this country could produce needed fuel in addition to food crops. At the present time such fuel in the form of coal is actually cheaper than coal. From this standpoint the farmer is justified in burning corn if he sees fit to do so." (The Farmer, St. Paul, Nov. 26.)

Freight Rates

Railroads of the United States will be given from December 14 to 21 to justify in hearings the present level of transportation charges, the commission announced Nov. 29, in making public a questionnaire to the carriers. (Press, Nov. 30.)

Freight Rates on Wool

Commodity rates on wool mohair from Texas to Boston and Duluth to Boston were held Nov. 29 by the Interstate Commerce Commission to be higher than justified and the railroads were ordered to file reduced rates for the commission's approval. Tariffs on the same commodities from Mississippi River crossings to Boston, against which Boston wool dealers protested, were held to be reasonable. (Press, Nov. 30.)

Grain Marketing

1. With a record increase of 1,905 farmers for the previous six-day period, the U. S. Grain Growers, Inc., announced Nov. 28 that membership in the national cooperative grain-marketing movement had reached the total of 25,997, while 737 farmers' elevators and grain growers' associations at local shipping points have executed the five-year contract. Conservative estimates place the amount of grain represented by member contracts in excess of 50,000,000 bushels. (U. S. G. G. press statement, Nov. 28.)



Grain
Marketing

2. "Country grain dealers are being requested to subscribe ten dollars to further the campaign of opposition to the U. S. Grain Growers, Inc. Non-members, as well as members of the Grain Dealers National Association, are being circularized in an appeal sent out from the old Chicago headquarters of the \$250,000 slush fund committee and signed by B. E. Clement, president of the association. ... In support of his contention for the continued necessity for \$10 contributions to their publicity fund, Clement is giving wide circulation to a printed 'warning' which summarizes progress made by the U. S. Grain Growers, Inc., since the grain dealers' convention." (U.S.G.G. press statement, Nov. 28.)
3. "The recently appointed royal grain commission may soon grow into an international body for elimination of violent grain price fluctuations by regulating the movement of crops, Justice Hyndman, its chairman, said Nov. 29, announcing resumption of the commission's sessions. Justice Hyndman said correspondence had taken place between the commission and the governments of the United States and Australia with a view to arranging a conference of grain exporting countries to consider the whole problem of world marketing." (Winnipeg dispatch to press of Nov. 30.)

International
Finance

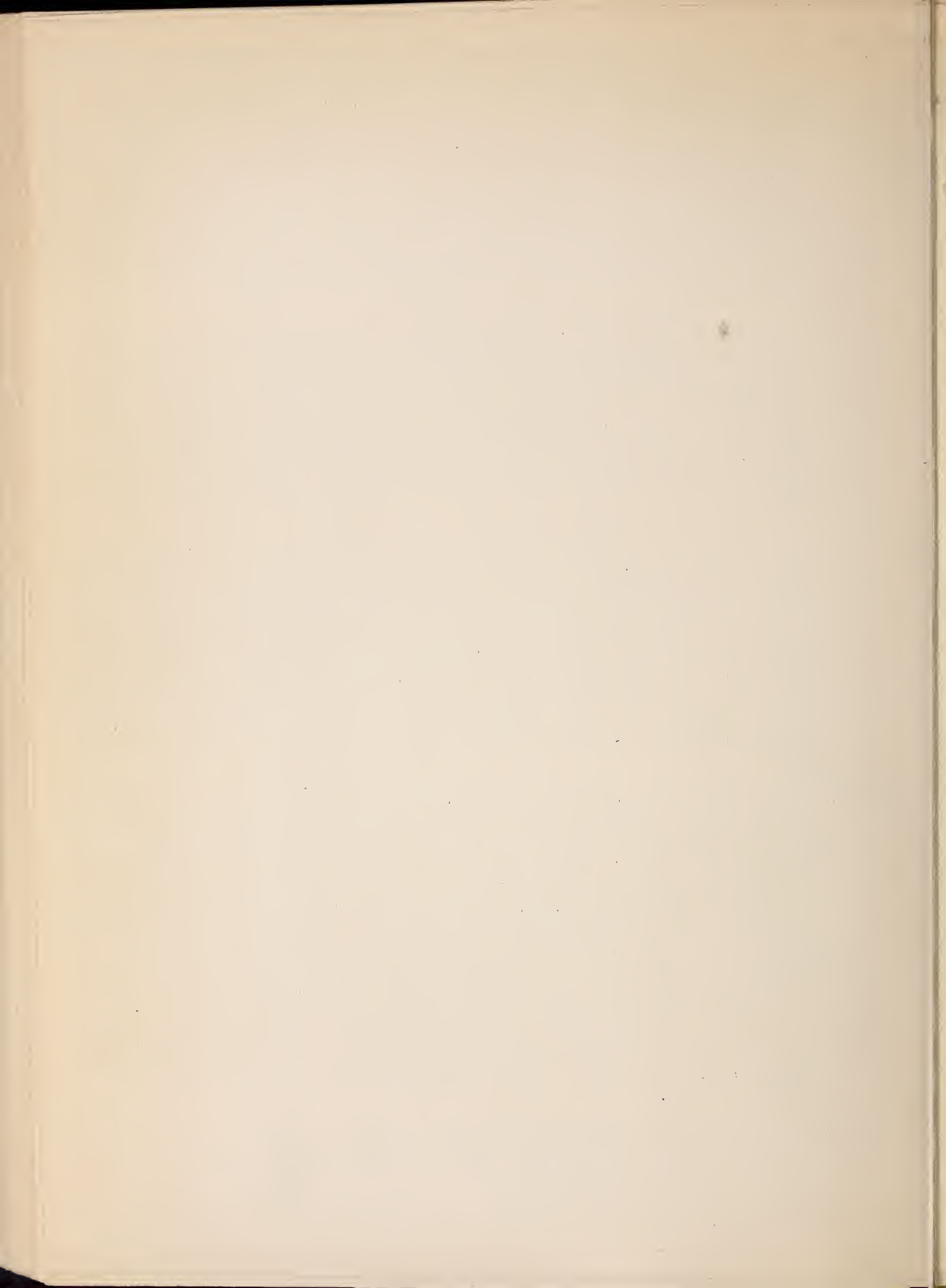
"America has decided to join hands with the other powers of the world in an effort to stabilize international exchange. The United States Government has accepted the invitation of the allied governments to be represented at a conference to be held abroad in the near future, at which the whole question of exchange will be examined. This is the most important step in the direction of financial readjustment which has been taken since the armistice. If successful, the movement may have a far-reaching effect upon the revival of business in America and particularly in the restoration of markets for the sale of American agricultural and manufactured products." (David Lawrence, in Wash. Star, Nov. 29.)

Packer Decree
Opposed

Growers and canners of fruits and vegetables are overwhelmingly opposed to modification of the consent decree which prohibits meat packers from distributing side-line products, former Senator Hoke Smith, of Georgia, declared Nov. 29 before the special Government commission which is considering the advisability of removing some of the decree's restrictions. Appearing as a representative of the Southern Wholesale Grocers' Association, Mr. Smith contended that the danger of monopoly in distribution of canned products lies not in having wholesalers handle the goods but in giving meat packers a free hand. Opposition to opening the consent decree was voiced by James Hewitt, president of the Grocers and Importers' Exchange, Philadelphia; T. J. Whitmarsh, New York, and P. D. Crane, Fort Smith, Ark. All expressed apprehension that meat packers would create a monopoly if permitted to handle sideline products. The hearing was adjourned until Thursday. (Press, Nov. 30.)

Transportation

"Soliciting freight and passenger forces of all big roads have been kept pretty much intact regardless of the traffic slump. Their routine duties are chiefly those of 'keeping in touch,' but their educational work is much more important than in the past. ... A line operating southwest from Chicago will this week initiate a campaign



in the agricultural districts to advance the standard of sheep, poultry and dairy cows, with demonstrations and lectures in a score or more towns, where there will be bargain days. The company has asked the merchants of all the towns to cooperate and help bring farmers in. It is desired that every merchant advertise a bargain sale in some line. The St. Paul has arranged to run an exhibit train with a 'movie' car through the high-priced land areas of Illinois and adjoining states where farm renters are hard pressed to make a living, and in this way to show them the resources of agricultural sections in the Far West, particularly where cheap land is still available. In every town where the train stops a lecturer will give an entertainment twice a day. ... " (Chic. dispatch to Phila. Ledger, Nov. 25.)

Wheat Marketing

Describing the rapid decrease in the marketing of wheat by western farmers during October, as compared with the great activity of the three preceding months, the Kansas City Reserve Bank states that "several factors contributed. The decline in prices following the increasing movement of wheat in Canada is regarded as the chief cause of the slump in receipts, although a slowing down of exports of wheat, a slackening of millers' demands and the threatened railway strike were reckoned as among the factors." (Press, Nov. 27.)

Section 3.

MARKET QUOTATIONS.

Farm Products

Nov. 29: Wheat prices declined on reports of rain in Oklahoma and Argentina and that Canadian wheat offered Minneapolis 20¢ over December, duty paid. Liquidation in December corn and weakness in wheat were depressing influences in corn markets. Chicago December wheat lower at \$1.11 3/4; Chicago December corn lower at 47¢. Prices in Chicago cash market: No. 2 red winter wheat \$1.24; No. 2 hard winter wheat \$1.13; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn 32 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.14 1/2; to farmers in Central Kansas for No. 2 hard winter wheat \$1.00.

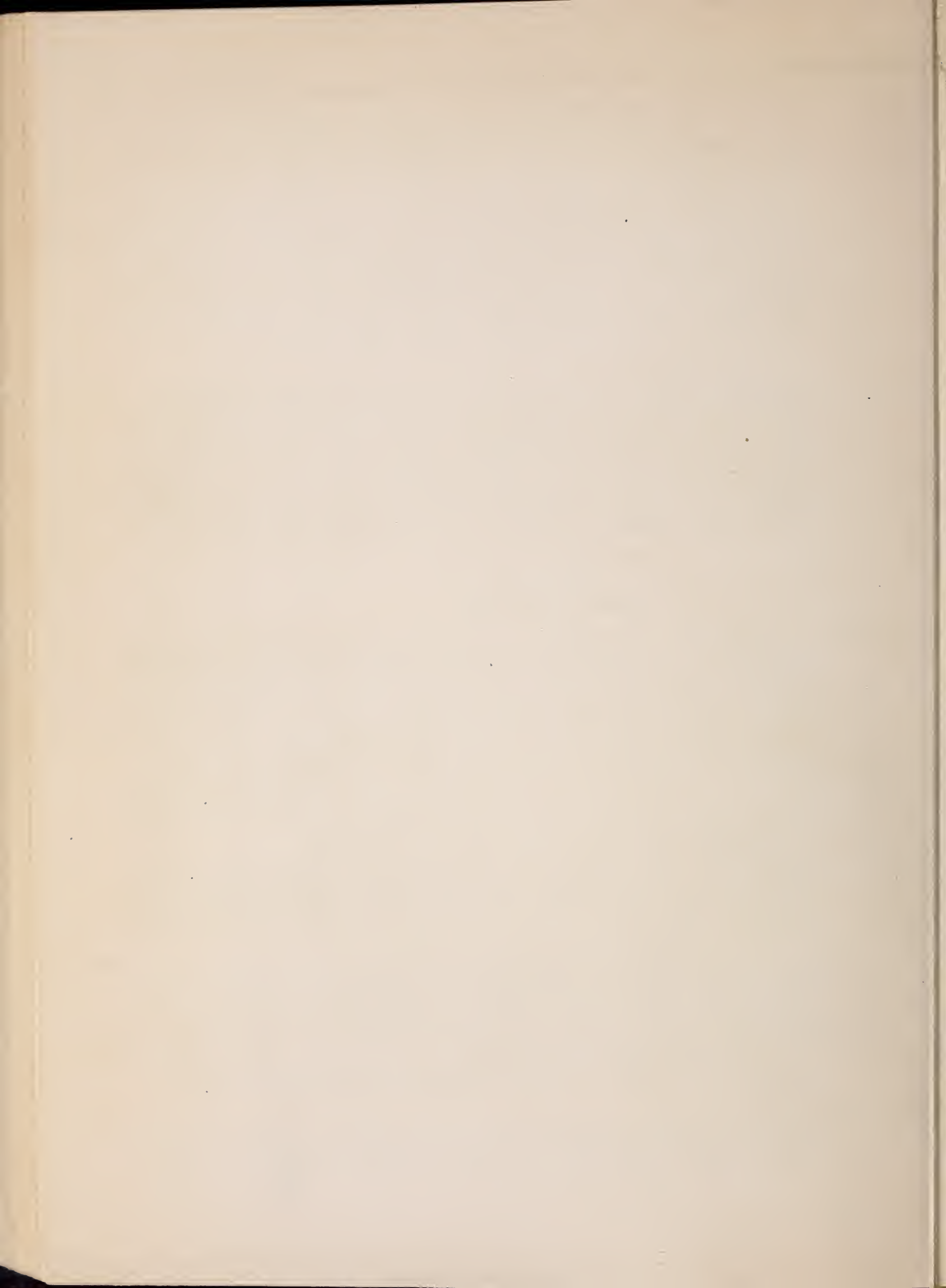
Chicago hog market fairly active and 10¢ lower, bulk of sales \$6.80 to \$7. Beef steers steady to 25¢ lower, medium and good beef steers \$5.75 to \$10. Butcher cows and heifers dull at \$3.40 to \$8.40. Light and medium weight veal calves \$6.50 to \$9.50. Fat lambs higher at \$8.75 to \$10.25.

Potato markets slow and dull; shipments light. Prices f.o.b. shipping points: New York Round Whites No. 1 steady at \$1.65 per 100 lbs. sacked; Maine bulk Green Mountains firm at \$1.31 to \$1.41; New York Danish Cabbage \$40 to \$42 per ton bulk; Wisconsin Danish \$45 per ton. New Jersey Yellow sweet potatoes \$1.75 to \$2.25 per bu. in city markets.

Spot cotton lower at 17.28¢ per lb. New York December future also lower at 17.53¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Nov. 29: Average closing price 20 industrials 77.76, as compared with 76.04 corresponding day 1920; average closing price 20 railroad stocks 76.66, as compared with 77.55. (Wall St. Jour., Nov. 30.)



UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. III, no. 51.

Section 1.

December 1, 1921.

Labor Board Favors Open Shop A decision promulgating 148 new working rules to govern the employment of the six federated railroad shop crafts and supplanting the national agreement entered into by the employees with the United States Railroad Administration on Sept. 20, 1919, will be handed down by the United States Railroad Labor Board to-day. This decision recognizes the "open shop" principle as applied to the railroads and will mean an annual payroll saving to them of about \$50,000,000. It will form the ground work on which the adjudication of all future wage disputes between the roads and their employees will be based. The new rules become effective Dec. 1 and will effect approximately 400,000 employees immediately. When normal conditions are restored more than 450,000 men will be affected. (Press, Dec. 1.)

Wheat Championship Wrested from Canada "America wrested the wheat championship from Canada Nov. 30, when George Kraft, Bozeman, Mont., was crowned 1921 wheat king at the International Grain and Hay show, at Chicago, for which \$10,000 in prizes was awarded by the Chicago Board of Trade. Kraft takes the title from J.C. Mitchell, of Dahinda, Sask., who has held it for two years. Mitchell was runner-up for the sweepstakes this year. Kraft's wheat tested 63.6 pounds to the bushel and Mitchell's 64.7. John W. Lucas, Cayley, Alta., again is holder of the grand championship oats sweepstakes. His new variety, called 'Victory,' prevailed over a field of several hundred entries. The oats weighed 46.4 pounds to the bushel. J. W. Workman, of Maxwell, Ill., won the grand championship corn sweepstakes, his sample, Reid's yellow dent, winning over samples submitted by 15,000 growers. This is the first time that Indiana has lost the corn sweepstakes. It also is the first time that yellow corn has won at the International. E. A. Lux, of Shelbyville, Ind., won the high honors for the best single ear of corn in the United States and Canada for 1921." (Assoc. Press, Dec. 30.)

Egg Pool in Chicago An egg pool formed by three men controls the egg supply of Chicago, and makes a profit of about \$30,000 a day, Russell J. Poole, Chicago food expert, announced Nov. 30, following an investigation covering two weeks. Mr. Poole has recommended a housewives' boycott on eggs, in an effort to break the price. He reported that eggs selling yesterday at 50 to 53 cents as fresh eggs went into storage last March when the price was 19 1/2 cents a dozen. (Press, Dec. 1.)

The Farmer's Purchasing Power The Wall Street Journal to-day says in an editorial: "While politicians tell the farmer that he has no friends in finance, that every corporate interest in the country is banded together



to exploit him, there is still a modicum of truth which gives virility to the lie. Farm products, everything the farmer has to exchange for what he cannot produce, have been liquidated and over-liquidated. Deflation, whose purpose is to squeeze out water, has squeezed out blood. It is noteworthy that there has been an improvement in what the farmer gets in exchange for what he raises, comparing to-day's prices with those of last April. William T. Fenton, first vice-president and manager of the National Bank of the Republic, of Chicago, approaches the subject in the right way. He says: 'Translated into terms of wholesale prices in general, and at the 1913 barter ratio, the farmer's dollar in October brought only 80 cents worth of other things, - this incidentally being the highest purchasing ratio of any month since November, 1920. By specific groups the discrepancy is accentuated. In terms of household goods, building materials and clothing his dollar in October was worth only 55 cents, 62 cents and 63 cents, respectively. Furthermore, were the comparisons to be made with retail prices, the loss of purchasing power of the farmer's dollar - or his products - would be still more exaggerated.' Mr. Fenton elsewhere shows that readjustment is proceeding, although slowly. He is the kind of banker who properly considers himself a merchant in credit. Through his correspondents he doubtless draws the business of farming customers, serving the banks who serve the farmers. He is in no conspiracy to exploit the fundamental industry of the country. For that matter, no other conspirators have been exposed. The alleged combination seems to be the imaginative figment of the disreputable agricultural bloc in Congress, which is itself exploiting the farmer for ends of its own, of which an 'old-fashioned tariff' is only one. ... It all comes down to the plain facts that farm products have been deflated while labor has not. ... But neither bankers nor anybody else can finance industrial production at a prohibitive labor cost."

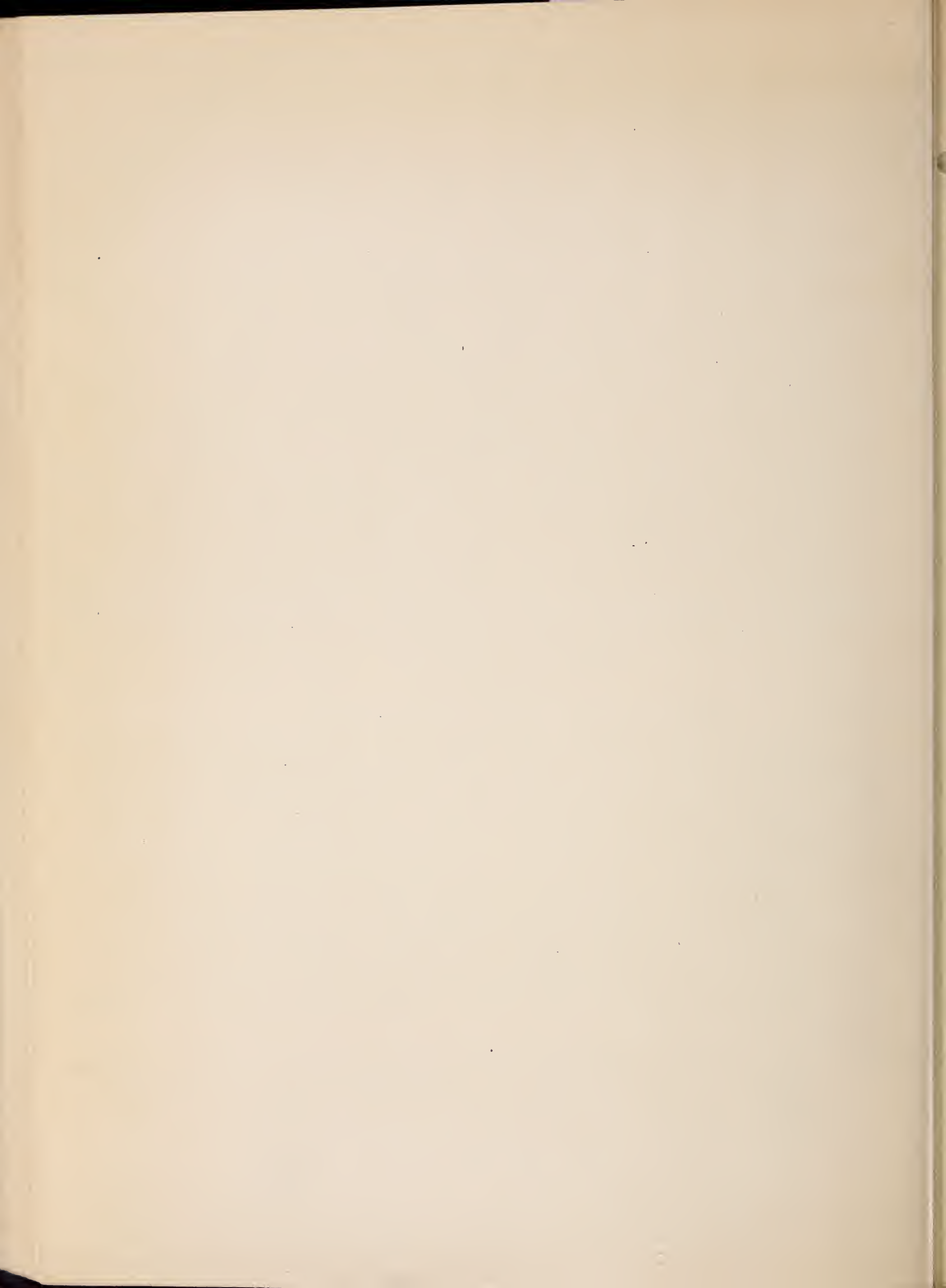
Section 2.

Agricultural Bloc

Business men must organize and defend themselves to overcome the baneful effects of the agricultural bloc in Congress, Otto H. Kahn, banker, declared in a letter to the New York Committee of American Business Men, made public Nov. 30. Business, he asserted, stands in need of a spokesman and organizer, but he added that he did not contemplate forming a "business bloc" in Congress. Blocs, he said, "are pernicious and not conformable to underlying conceptions of our institutions." I mean," he added, explaining his plan, "an intelligent and effective representation of the ideas of business in public affairs, and a corresponding attitude in primary and electoral campaigns, not in order to promote selfishly and narrowly any class advantages of business and capital, but to prevent the ascendancy of selfish and narrow class and sectional interests, of crude notions or demagogic appeal and thus aid in furthering the progress of the nation!" (Press, Dec. 1.)

Business Conditions

A survey of the general business and financial conditions throughout the country made public Nov. 30 by the Federal Reserve Board indicates that a steady progress back to normal conditions may be expected, although no sudden expansion is in sight. The investigators for the board in all of the Federal Reserve districts are convinced that the worst conditions have been faced, and that the unemployment situation is somewhat relieved. The board realizes that interruptions are to be expected in the progress toward normal, and notes that the improvement in business conditions in November has not been as pronounced as during the preceding two months. "Several factors are



responsible for this relative slowing down," the review states. "The seasonal peak of demand has, for the time being, been reached and passed. Uncertainty regarding prices of staples, particularly of cotton, has interfered somewhat with trade buying, while the possibility of further reductions of freight rates has apparently tended to unsettle prices and to retard the activity of industry in some of the chief manufacturing sections." (Press, Dec. 1.)

Corn Utilization

"During the past twelve months it has been especially desirable for the farmer to feed his corn to hogs rather than to market it direct. As a matter of profits, which is what the farmer farms for, hogs are well worth his thought at this time. This view seems all the more practical in the light of a recent study made by the Kansas Agricultural College, which compared corn as a fuel with coal, and found that a pound of well-seasoned ear corn will yield only 6,500 to 7,000 heat units, while a pound of medium quality soft coal will yield 12,000 to 13,000 heat units, or twice as much. In addition, corn contains 10 to 15 per cent of moisture which must be evaporated. The amount of useful heat obtained from burning a pound of coal will be equal, therefore, to that obtained from about 2 1/2 pounds of corn. It is very clear, then, that even at the present high price of coal and the low price of corn it will be uneconomical to use corn as fuel, from a simple comparison of their heating capacities." (The National Provisioner, Nov. 26.)

Cotton in British Empire

"Recent advices would indicate that lower prices for American cotton or a less prosperous state of affairs in Lancashire had rather dulled the enthusiasm for a rapid extension of cotton growing within the empire." (Commerce and Finance, Nov. 30.)

Discount Rates

Official discount rates at leading European centers continue to be quoted at 5 per cent in London, Berlin and Belgium; 5 1/2 per cent in Paris, Denmark, and Sweden; 4 per cent in Rome, Norway and Madrid; 4 1/2 per cent in Holland, and 4 per cent in Switzerland. (Commercial and Financial Chronicle, Nov. 26.)

Farming in Great Britain

S. F. Edge, a British scientific farmer, offered recently to turn over farm land valued at 20,000 pounds to a committee of his employees without cost, but subject to the proviso that they should pay their own wages out of the proceeds. It is announced that they have declined the offer, and Mr. Edge has extended it to any reputable labor body, such as the agricultural workers' unions. "The purpose of this offer," said Mr. Edge, "is to prove to the trade unions that farming, like every other industry, will only pay wages that are earned, unless they are drawn from capital. Agricultural laborers have been misled as to the profit a farmer makes from corn-growing or ordinary agriculture. ... The employees on my farms, which have grown in the last two years from 50 acres to some 2,000 acres, have not accepted my offer, knowing they will make more money in wages than they could make out of the farms." (Jour. of Commerce, Nov. 28.)

Farm Machinery Production

Careful canvass of farm machinery production in the Seventh Federal Reserve District shows those concerns doing hardly anything, running only 5 to 10 per cent and largely on repair work. Six concerns reporting to the Federal Reserve Bank show severe falling off of sales,

October averaging 7 to 15 per cent below a year ago. Sales of new output are made mostly to dairy and potato farming sections, outside of which farmers are not liquidating their indebtedness to any extent. Collections are slow and difficult. Dealers in most cases must take a large number of notes with maturities of six to twelve or more months. Some machinery is being taken back by factories, because of inability of dealers to pay; even in the Northwest sales are very small because of farmers' strained finances. (Press, Dec. 1.)

Financing Farmers

"In the November issue of the Bankers Monthly, the cashier of a Michigan country bank relates his experience in attempting to bring about this change from long time to shorter time maturity on loans made to farmers. ... In starting his ninety day note campaign he made every effort to get the farmers to pay something on the note that was due, before renewing it for the ninety day period. ... He was surprised to find how many were able to reduce the principal at the end of ninety days, even though it did not happen to be the season of the farmer's principal income. ... The conclusions of this banker are that eventually, he believes, it will be possible to make all farm paper mature in ninety days, and in this way keep the bank's assets in a more liquid condition. This also helps to get the farmer in the habit of liquidating at least part of his note at such period and not let it run for a year or more." (Commercial West, Nov. 26.)

Forestation

"Preserve the Lumber" is the title of an editorial in The Wall Street Journal for Nov. 30, which, after quoting official statistics on the lumber situation, says: "With an immense area of idle lands capable of producing lumber, it would seem good policy to put every acre at work. The result might be disastrous to our business if all these idle acres were kept in perpetual idleness instead of being put at work producing lumber. Reforestation and a lumbering policy are necessary. Artificial reforestation must be practiced far more extensively than heretofore, and a lumbering policy should be instituted that would conserve and not destroy the business. Extermination once threatened the fur-seal herds, but when a wise conservation policy was set in force they began to increase. Forest increase is slower but the response to care would be just as sure. France, with its limited forests, is our rival in the production of naval stores, but she holds her position only because she instituted a wise policy of forest conservation. For us to do the same would be good business sense."

Grain Storage

"Public Money in Grain Stores" is the title of an article in Financial America, quoted in Commercial West for Nov. 26. It says in part: "The farmer has been encouraged by the Federal loan to enter a new business. He is to become a grain storehouse manager. He can borrow Government money for a year from the bank on his grain holdings. He can have the loan extended if the bank sees fit for three years. ... Wheat may be preserved for years if it is well stored and closely watched. Joseph saved the surplus for seven fat years, and sold it at a profit that has made every wheat grower envious. He used Government funds also and he staked his life as security. But the American farmer's collateral is only his wheat. If it spoils in storage the Government and the banker will be holding an empty bag. ... Joseph, with his life mortgaged, did not risk storing any wheat in the grower's

barn. He put it into Government storehouses. Probably also he hired some long-experienced inspectors. That is still found necessary by dealers in New York, Chicago, Kansas City and other large storage centers. Will the Federal Government and the banks hire inspectors to make the same frequent tests of grain on farms? In all seriousness, neglect of this precaution means sure loss. Yet there are not enough inspectors in the world to handle the task. ... A bank clerk is a poor substitute for a trained examiner of grain. The best built barn is a poor place to store wheat. ... Reserves of food supplies are as necessary now as in the days of Joseph. The care of such reserves is quite as essential. Scattering them is not prudent. It takes their care from the expert and commits it to the ignorant. ... In encouraging a barn-storing movement the Government opens the door for a multitude of other borrowers. ... "

Section 3.

MARKET QUOTATIONS.

Farm Products

Nov. 30: Chicago wheat market firm following small break early account liquidation. Corn lower early but advanced later with wheat. Cash market firmer with active domestic and export demand. Chicago December wheat closed higher at \$1.13 3/4; Chicago December corn higher at 48¢. In Chicago cash market: No. 2 red winter wheat \$1.26; No. 2 hard winter wheat \$1.16; No. 2 mixed corn 49¢; No. 3 white oats 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn 33 1/2¢; to farmers in Central North Dakota for No. 1 northern wheat \$1.10 1/4; to farmers in Central Kansas for No. 2 hard winter wheat 98¢.

Chicago hog market lower; bulk of sales \$6.80 to \$6.95. Better grades of beef steers and fat cows and heifers mostly 25¢ higher; medium and good beef steers \$5.85 to \$10; butcher cows and heifers \$3.50 to \$8.75. Fat lambs higher at \$9 to \$10.50.

Potato markets slow but steady. Prices f.o.b. shipping points: New York Round Whites firm at \$1.70 per 100 lbs. sacked; Maine Green Mountains steady at \$1.31 to \$1.41 bulk; New York Danish type cabbage firm at \$40 per ton bulk. New York Rhode Island Greening apples firm at \$8.50 to \$9.50 per bbl. in New York and Chicago.

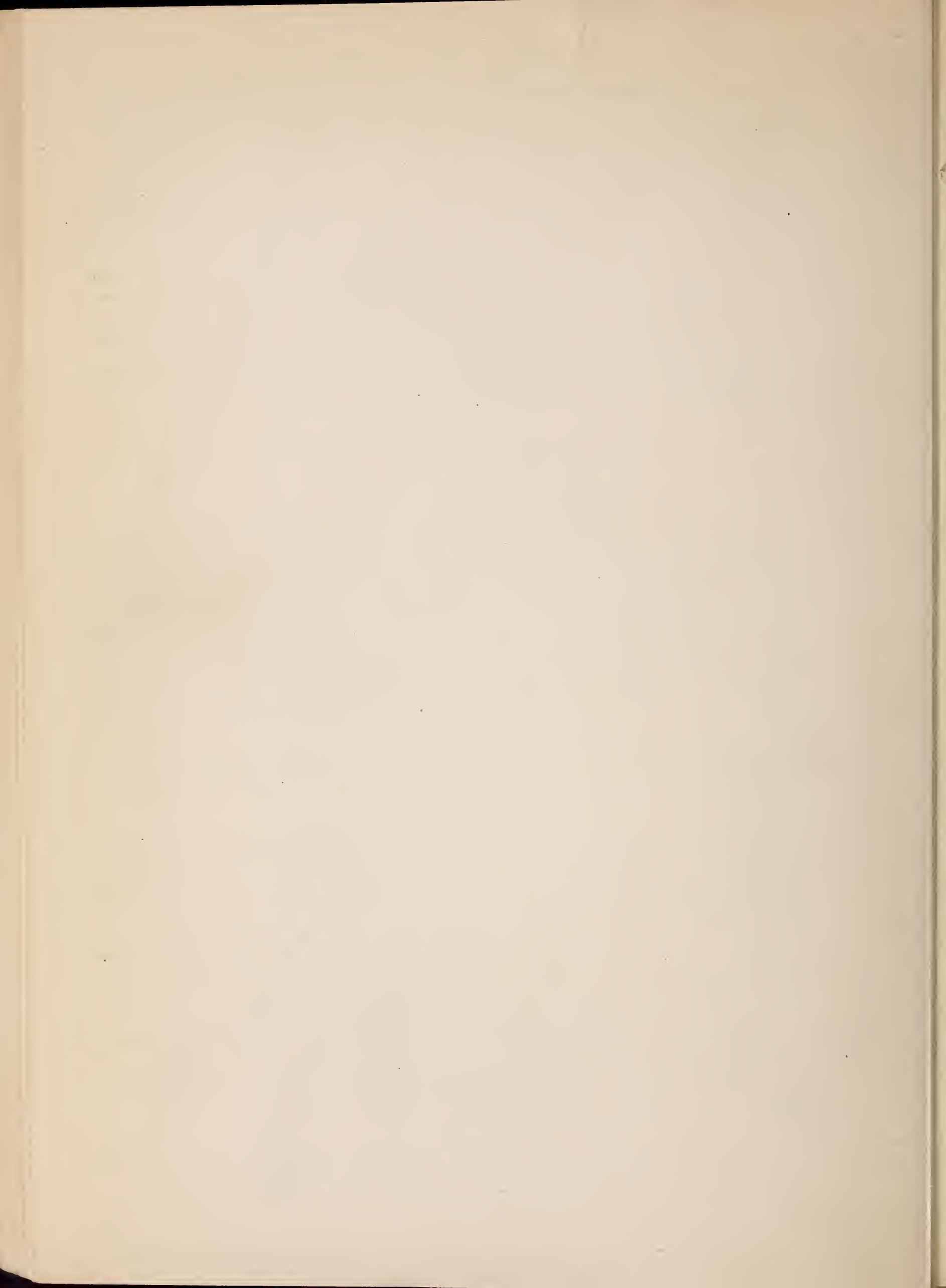
Hay markets generally stronger; prices up \$2 in New York; other markets unchanged but there is more activity in central western markets. Wheatfeed offerings for December and January shipment offered at 50¢ to \$1 discount. Prompt shipment offerings light.

Butter markets firmer. Storage butter moving better as fresh prices advance. Cheese markets quiet but a trifle firmer with prices slightly higher. Interest in held cheese increasing.

Spot cotton higher at 17.33¢ per lb. New York December futures also higher at 17.77¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Nov. 30: Average closing price 20 industrials 77.30, as compared with 76.50 corresponding day 1920; average closing price 20 railroad stocks 76.33, as compared with 77.45. (Wall St. Jour., Dec. 1.)



UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 52.

Section 1.

December 2, 1921.

Farm Conference

Called

A call for a "national conference on credits and finance," to meet in Washington December 15, to survey the country's agricultural needs has been issued by Senator Ladd, of North Dakota. The conference, the senator said, was intended to find remedies for the conditions through legislative action. Invitations to the conference have been sent to several hundred persons, including some members of Congress, financiers, economists, sociologists and representatives of farm organizations. It was said that due attention would be given to the relationship between farming and industrial and manufacturing interests. (Press, Dec. 2.)

Packers' Case

Fear that the "Big Five" meat packers will obtain control of the distribution of all food products if permitted to re-enter the grocery business was expressed by half a dozen witnesses Dec. 1 before the Department of Justice committee which is considering the advisability of a modification of the court decrees affecting the packers. All expressed the belief that if the big meat packers get control of food distribution, it would be of serious consequence to the wholesale grocers. Methods of "Big Five" meat packers were attacked in a statement by Walter J. Tancill, representing the St. Louis Wholesale Grocers' Association. "The real and vital issue at stake in this proceeding," said he, "is whether the Government of the United States desires to foster the growth of independent and competitive business, or whether it intends to depart from the very tradition that permeates our social and political life by officially sanctioning monopoly." (Press, Dec. 2.)

Packer

Employees'

Strike

A strike of all union packing house employees in all plants where wage reductions were put into effect last Monday was ordered for December 5 by the executive committee of the Amalgamated Meat Cutters and Butcher Workers of North America Dec. 1. The strike, which affects all union crafts employed in the packing industry, will involve about 45,000 workers in fifteen Western cities, according to Cornelius Hayes, president of the Butcher Workmen's Union. (Chic. dispatch to press, Dec. 2.)

Labor Board

Decision

"Unshackling the Roads" is the title of an editorial in today's Philadelphia Ledger referring to the Railroad Labor Board's decision promulgating 148 new working rules to govern the employment of the six federated railroad shop crafts, and recognizing the "open shop" principle. It says in part: "This decision is another step toward the 'normalcy' so greatly needed in the railroad business. It opens the way for the wage-reduction



struggle that was postponed on November 1, when the strike did not materialize. The Rail Labor Board by its action has cleared its decks, and will now begin to take up the many wage-reduction proposals that have been filed. These must be announced and fought out before there can be any sweeping readjustment of transportation charges. There have been cuts in freight rates on farm products, on phosphates and scattered commodities, but what the public is waiting for is a marked lowering of freight charges and a sharp leveling down of passenger fares."

Rail Wages

Action on the acceptability of the 172 revised shop rules, promulgated by the United States Railroad Labor Board, will not be taken until after the first of the year, according to announcement to-day by B. M. Jewell, president of the railway employees' department, American Federation of Labor, with which the six railroad shop-crafts are affiliated. New rules, numbering 148, which went into effect Dec. 1, completed a new code of working agreements to replace the national agreement of Federal control. Four of the 186 rules of the national agreement were referred back to the roads and their employees for further negotiation, while ten were eliminated altogether. (Assoc. Press, Dec. 2.)

Section 2.

Corn as Fuel

The O'Neill Electric Light and Power Co., of O'Neill, Neb., began Dec. 1 to burn corn for fuel instead of coal in its light plant, one of the largest of its kind in that section of the country. The company found corn was cheaper and that its heating quality was satisfactory. (N. Y. Times, Dec. 2.)

Corn Sale Proposed

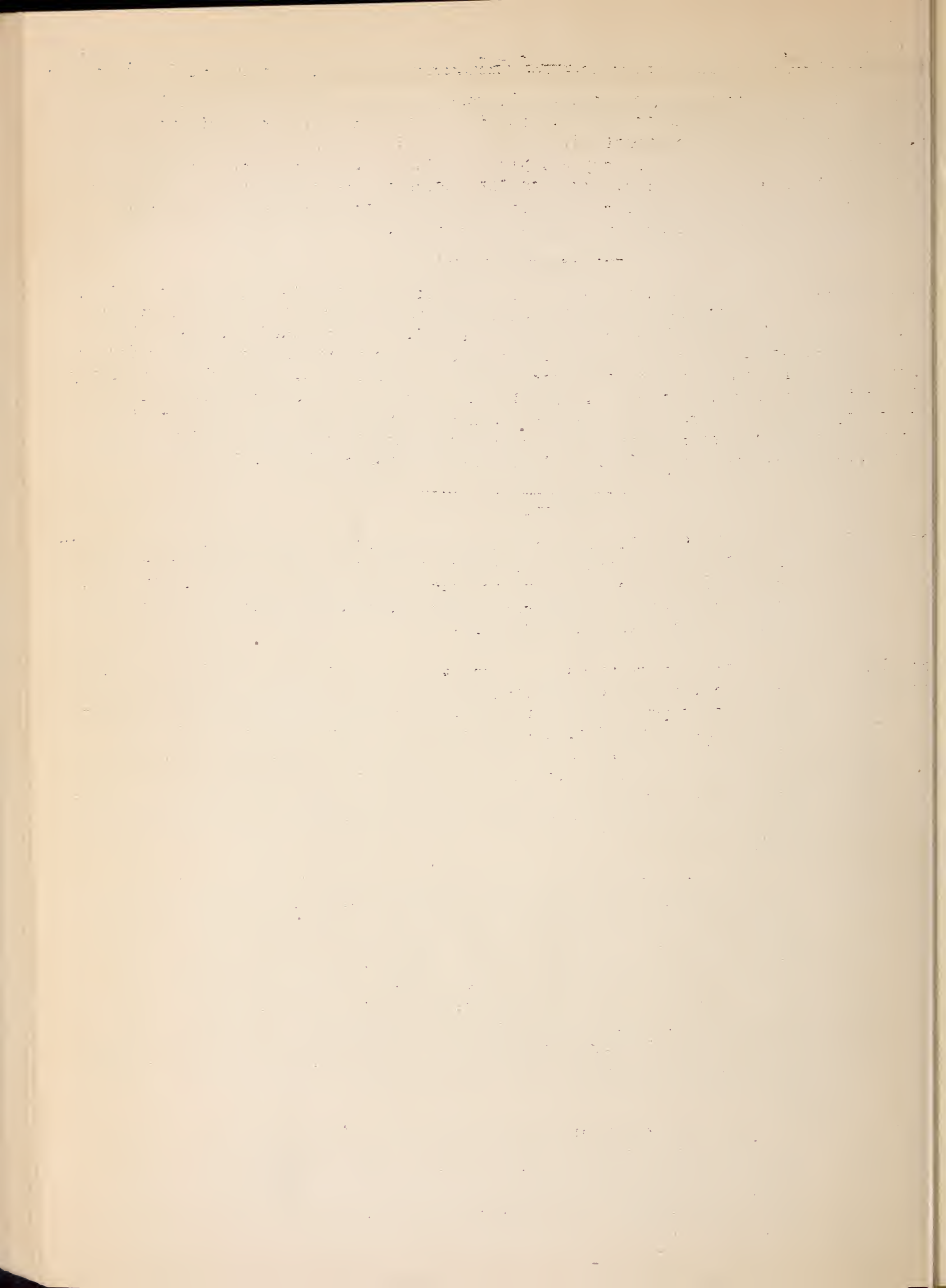
"Secretary of Commerce Hoover is in receipt of the outline of a plan to increase the selling price of corn and thereby revive the purchasing power of the farmers. J. G. Schaefer, of Buffalo, former president of the National Association of Men's Apparel Clubs, is sponsor for the idea. Mr. Schaefer proposes a campaign in Chicago urging men and women to buy two bushels of corn at 50 cents per bushel, the corn to be contributed to the American Relief Administration to help feed the starving people of Europe." (N. Y. Daily News Record, Dec. 1.)

Cotton

Referring to the new types of cotton now on the market, at the annual meeting of the Manchester, (Eng.) Cotton Association, President Tomlinson said that several spinners who are now using them are making big profits. He also reported that there has been considerable reduction in freight rates on raw cotton. While the president declared the belief that trade is reviving, he uttered a word of warning relative to a possible Egyptian shortage of cotton under native supervision. President Holroyd, of the Federation of Master Cotton Spinners, spoke strongly against the Indian cotton duties and counseled united and immediate action by Lancashire cotton men. (N. Y. Daily News Record, Dec. 1.)

Economic Conference Urged

The necessity of an international conference on economic and financial problems and to further enlarge the work of the armament conference so as to limit extravagance on the part of European governments, was urged before President Harding Nov. 30 by officials of the Chamber of Commerce of the United States. (N.Y. Daily News Record, Dec. 1.)



Economic
Reactions
in Europe

"War's Economic Reactions" is the title of a series of articles by Prof. James Mavor, professor of economics in the University of Toronto, announced for publication in The Wall Street Journal. The first article appears in the issue for Dec. 1. The opening paragraph says: "The most impressive characteristic of the present situation in Europe is the fierce racial animosity which inspires almost all the continental nationalities. Every historical and unhistorical grievance - all the iniquities of oppressing and miseries of oppressed races are paraded as if experience and responsibility belonged to present generations. ... Existence of this feeling of animosity brought about the incidents - intrigues and assassinations - which led directly to the Great War, the animosity aggravated the conduct of the war and survived the conclusion of peace. Economical difficulties of Central and Eastern Europe, great enough in any case, have been augmented by antipathies which have impeded movement of goods and of people and have thus paralyzed industry and commerce."

Fair
Association
Leaves
Chicago

For the first time in forty years, the International Association of Fairs and Expositions Dec. 1, decided to forsake Chicago as an annual place of meeting, voting unanimously to hold the 1922 meeting in Toronto, Canada. Another precedent was established when John G. Kent, managing director of the Canadian National Exhibition, Toronto, was elected president of the association. (Press, Dec. 2.)

Food Costs

Retail cost of food decreased 3 per cent in Washington between October 15 and November 15, according to a statement issued Dec. 1 by the Department of Labor. Other decreases noted were Atlanta, Peoria and Springfield, 2 per cent; Little Rock, 1 per cent, and Manchester one-tenth of 1 per cent. In Rochester there was an increase of 1 per cent; Philadelphia, three-tenths of 1 per cent, and in Baltimore, Louisville and New York, two-tenths of 1 per cent. There was no change in Denver and Norfolk during the month. For the year period from November 15, 1920, the decrease in retail cost of food in Washington was 21 per cent. (Press, Dec. 1.)

Fox Industry

"Why not Consolidate?" is the title of an editorial in American Fox and Fur Farmer for November, which says in part: "We believe there should be one great big national association representing the fox industry of the United States. Each state might well have an association of its own, its membership comprising fox ranchers in that state who would meet every three months or oftener if necessary to take up matters affecting the industry in general and their state in particular. Each state association should elect delegates to the national association. ... The national association to meet once a year, or oftener if necessary, to discuss the fox industry from a national standpoint, to see that proper legislation is enacted, to adopt a uniform standard for foxes that could be approved by the United States Department of Agriculture as an honest, fair, reasonable standard, to arrange for a national fox show to be held in different cities of the United States each year. The fox industry has reached a point in this country where it merits the same treatment as is given other industries."

Fur
Market

1. The pace at which the new fur catch is arriving in the New York and St. Louis markets, according to reliable sources, assures a plentiful supply of skins to the fur industry for next season. Muskrats and skunk are particularly plentiful. (Press, Dec. 1.)



Fur Market 2. The market for the new raw fur catch has weakened perceptibly at the St. Louis floor sales within the past five days. Some classes of merchandise, at last reports, were available at prices fully 10 per cent below the peak which was touched early last week. (N.Y. Daily News Record, Dec. 1.)

Milk Production in Germany In view of the serious shortage in milk in numerous communities in Germany, 400,000,000 marks have been placed at the disposal of the food minister for the purchase of fodder and concentrated foods for milch cows. The food will be imported and distributed by community boards of alderman, who will be instructed to insure a fair distribution of fodder and milk. (Press, Dec. 1.)

Roads "The distribution of \$90,000,000 for highway purposes by the Federal Government, soon to be made, with \$25,000,000 available immediately for aiding states in their road building, is a significant piece of news. The national Government's participation in transportation has always followed the country's needs, and has always been followed by enormous development of the territory benefited. The control of river traffic, and the improvement of our great rivers, the building of the Union Pacific railroad and the later supervision of rail rates and operation, are two instances. Now the two highways of the states are to be nationalized. ... Men now living will see the Union become a network of well-built roads on which will be a continuous stream of traffic, both freight and passenger, under Federal supervision." (Chic. Jour. of Commerce, Nov. 30.)

Wheat Marketing The Texas wheat crop for 1921, estimated at 3,000,000 bushels, will be marketed under a cooperative program, it was announced at Dallas, Tex., Nov. 29, following a meeting of the Texas Wheat Growers Association and the Texas Farm Bureau Federation. The grain will be disposed of under a plan similar to the cotton pool now operating and the entire crop sold by next April, the announcement said. (Press, Nov. 30.)

Wool "Uncle Sam continues to dump his big wool stock on the market, the most recent auction having been that held at the army supply base South Boston, Mass. Approximately 7,000,000 pounds was put up for sale. ... The War Department is between two fires in wool distribution. On the one hand is the protesting wool growers who insist that the Government by placing these stocks at auction is depressing the market and on the other hand are the economy advocates who insist that the Government needs the money in the Treasury and must sell the wool." (Commercial West, Nov. 26.)

Section 3.

Department of Agriculture 1. "The United States Department of Agriculture has been, and we feel sure will continue to be, a source of great assistance to fur ranchers and fur farmers in this country. Government officials are beginning to see the industry in the country in a little different light than they did. It takes time to build an industry, but the fox industry in the United States is, we believe, being built on a firm foundation." (American Fox and Fur Farmer, November.)

Department of 2. A review of the annual meeting of the American Fox Breeders
Agriculture Association, in American Fox and Fur Farmer for November, says:
"Lieut. Frank G. Ashbrook, the silver fox man of the Biological Survey, again proved his right to the title of the right man in the right place. His part in the meeting was to furnish a talk on any subject he might choose himself. He not only was listened to with close attention, but when he said: 'Ask me some questions,' he had most of the members on their feet more than once ... and satisfied them always from every angle."

The issue contains a comprehensive article entitled "The Merits of Silver Fox Farming" by F. G. Ashbrook.

Section 4.

MARKET QUOTATIONS.

Farm Products

Dec. 1: Chicago wheat market unsettled within 3¢ range. Country offerings and receipts light; cash market firm. Corn firm most of day but declined with wheat at last. Cash corn firm; good domestic and export demand. Chicago May wheat lower at \$1.16 3/4; Chicago May corn lower at 54 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.26; No. 2 hard winter wheat \$1.15; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn 34¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.11; to farmers in Central Kansas for No. 2 hard winter wheat 98¢.

Chicago hog market active, bulk of sales \$6.70 to \$6.90. Beef steers strong to 25¢ higher; medium and good beef steers \$5.85 to \$10; butcher cows and heifers \$3.50 to \$8.75. Fat lambs strong at \$8 to \$9.15.

Potato haulings and shipments continue light; demand slow; markets dull with weak tone. Prices slightly lower in Boston, Kansas City and St. Louis under heavy supplies. Danish type cabbage \$45 per ton bulk f. o. b. Wisconsin points. Yellow Globe onions \$5.25 per 100 lbs. sacked f. o. b. Connecticut Valley Points.

Hay market generally strong. Continued activity in central western markets. Clover higher than timothy at Cincinnati. Most feed markets inactive. Country demand light. Prices steady to higher though in a few markets largely nominal.

Butter markets continue to gain firmness. Imports light but include Australian and New Zealand at San Francisco. Cheese markets quiet; prices barely steady. Low quality fresh with seasonal defects on market but hard to move.

Spot cotton lower at 17.00¢ per lb. New York December future also lower at 17.24¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Dec. 1: Average closing price 20 industrials 78.12, as compared with 77.30 corresponding day 1920; average closing price 20 railroad stocks 76.22, as compared with 77.47. (Wall St. Jour., Dec. 2.)

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions. The second part of the document outlines the procedures for reconciling the accounts. It states that the accounts should be reconciled at the end of each month to identify any discrepancies. If a discrepancy is found, it should be investigated immediately to determine the cause and correct the error. The third part of the document discusses the importance of maintaining proper documentation for all transactions. It states that all receipts, invoices, and other supporting documents should be kept for a minimum of five years. This is necessary to provide evidence in the event of an audit or legal dispute. The fourth part of the document discusses the importance of maintaining proper documentation for all transactions. It states that all receipts, invoices, and other supporting documents should be kept for a minimum of five years. This is necessary to provide evidence in the event of an audit or legal dispute.

Financial Statement

For the period ending 31/12/2023

Amount in US Dollars

The following table shows the financial statement for the period ending 31/12/2023. The table is divided into two main sections: Income and Expenses. The Income section shows the total income for the period, which is \$10,000. The Expenses section shows the total expenses for the period, which is \$8,000. The net income for the period is \$2,000. The table also shows the opening and closing balances for each account. The opening balance for the Income account is \$0, and the closing balance is \$10,000. The opening balance for the Expenses account is \$0, and the closing balance is \$8,000. The net income for the period is \$2,000.

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Vol. III, no. 53.

Section 1.

December 3, 1921.

Stockyards Act Tested

Contending that the business of traders on the Chicago Live-stock Exchange was purely interstate business and therefore not subject to Federal legislation, Levi Mayer, counsel for a group of traders, presented his arguments for an injunction against enforcement of the Stockyards Act of 1921, in Chicago district court, Dec. 2. The suit was brought to test the constitutionality of the act and to restrain the District Attorney from enforcing penalties which became effective Nov. 30. (Press, Dec. 3.)

Federal Aid in Holding Corn

Federal aid for corn growers, who would be enabled to borrow money with their corn crop as security, was discussed in a multitude of phases at a conference in Chicago, Dec. 2, between the corn belt advisory committee of the War Finance Corporation and governors of several middle Western corn states. This year's bumper corn crop, with the resultant low market prices, caused the farmer to receive only 5 cents an hour for his labor, Governor McRay of Indiana told the conference, and this situation, he said, would put the farmer in no mood to plant corn next spring if he did not receive financial assistance now. The conference was called to survey the situation and determine how local banks could handle loans to the farmers, and how much money the corn growers would need to tide them over the crisis. (Chicago dispatch to press, Dec. 3.)

Tax Board Announced

Members of the Tax Simplification Board, created by the new revenue act, were announced Dec. 2 by the Secretary of the Treasury. They are: James H. Beal, Pittsburgh; Joseph E. Sterrett, New York, and William T. Abbott, Chicago, appointed by President Harding to represent the public, and Charles P. Smith, Assistant Commissioner of Internal Revenue, and Jesse D. Burks and George W. Skilton, both of the bureau, appointed by Mr. Mellon to represent the bureau. The board is charged with the duty of investigating the procedure and forms used by the bureau in the administration of the revenue laws and making recommendations in respect to their simplification. (Press, Dec. 3.)

Packer Employees' Strike

All employees of Armour and Co. who go on strike Dec. 5, in accordance with the order of the Amalgamated Meat Cutters and Butcher Workmen of North America, will lose their jobs and place themselves beyond the protection of the Plant Conference Board and Divisional Committees, according to a Chicago dispatch to the press of to-day.

Richard J. Hopkins, Attorney General of Kansas, Dec. 2 filed a complaint in the Kansas Court of Industrial Relations against the packers and unions, and asked the Industrial Court to take immediate action in an effort to prevent members of the Meat

Cutters and Butcher Workmen of North America in that State from joining in the strike ordered for next Monday. About 16,000 workmen are affected by the complaint. (Topeka dispatch to press, Dec. 3.)

Legislation
Changes
Proposed

Proposed changes in the laws of the Government affecting privileges of the President, cabinet members and Congress, to give the President open, visible and executive leadership in matters of national finance and administration; power to direct the preparation of a budget and allow it to be defended and explained on the floor of Congress by the cabinet and for changes in the rules of Congress to give the cabinet members the privileges of the floor without a right to vote, were almost unanimously approved by business and professional men throughout the United States who were approached on the question by the National Economic League, an organization with headquarters in Boston. (Press, Dec. 3.)

Section 2.

Agricultural
Economics

"Colleges of agriculture can profitably devote more attention to agricultural economics and especially to the problems of marketing farm products. It is of the greatest importance that the farmer should understand the factors governing prices of commodities and to be informed of economic laws which are just as unyielding and as constant as the law of gravitation. ... The information which the agricultural colleges are capable of giving their students will not only be of help to cooperative enterprises, but to those engaged in individual efforts of preparing and marketing farm products. Many marketing endeavors have failed because the management has not understood the factors influencing and regulating prices of commodities." (Hoard's Dairyman, Dec. 2.)

Butter

"Buttermakers and creamerymen, and we might also include dairymen, who get a chance to examine some of the butter that is arriving from Australia and New Zealand should not overlook the opportunity. We might as well admit it, our Antipodean brothers have it on us when it comes to quality and uniformity of product. When butter can make the long eight-thousand mile trip, which requires about 30 days in a steamer refrigerator, and arrive in the excellent condition that this butter is in we are prone to wonder what it was like before it started on the journey. It also calls to our mind the fact that some years ago, as a result of drouth in Australia, California shipped some butter down there, the quality of the most of which was a great disappointment when it arrived. The fact is that at least 25 per cent of the butter made in this country in one week after it leaves the churn is not up to the butter from New Zealand and Australia after it arrives in this country. ... Our leaders in dairy education have labored under the idea that their education is not complete without a trip to the dairy countries of Europe. They should include New Zealand and Australia, for those countries evidently 'know how.' " (The Pacific Dairy Review, Nov. 24.)

Butter
Tariff

In an analysis of the butter situation as it relates to the tariff, New York Produce Review and American Creamery for Nov. 30, says: "We are not, by this analysis, combating the expediency of imposing a

high tariff on butter, but we believe the decision should be made with a true conception of the effect of importations on domestic values of dairy products. And we believe it a fallacy to suppose that importations of butter, even though centered chiefly in any large market, can have any greater effect upon average national values than results from their relation in volume to the total product of the country."

Dry Farmers Raise Sheep

"The dry farmer is rapidly going into the sheep business in Eastern and Central Wyoming, was a statement made by Herbert J. King in a speech to the Agricultural Club of the University of Wyoming. Mr. King told the club that the farmers fenced the land and drove most of the big sheep outfits of the old days out of existence. But now these same dry farmers are beginning to see that it requires sheep or dairy cows to turn Wyoming grass and forage into money. ... Mr. King is of the opinion that when this new system of sheep farming gets fully established these homesteaded areas should carry two or three times as many sheep as they carried in the old days of the big outfits on the open range. ..." (Laramie dispatch to N.Y. Daily News Record, Dec. 1.)

Economic Reactions of Europe

In his second article on "War's Economic Reaction", in Wall Street Journal, Dec. 2, James Mavor says: "The net result is that the war was paid for day by day; but the means by which it was paid were in part distributed as burdens involving future reimbursement to the citizens of the respective countries and others. In short, every cost of the war was paid for somehow, by some one at the time it was incurred. That is, the cost was paid out of the savings of the past and out of the contemporary labor of muscle and mind. Yet there remains an immense individual and national reckoning in order that advances may be reimbursed to those who made them on credit. Every country strained its credit to the utmost and the consequence is seen in the decline in value in relation to gold and its obligation."

Egg Profits

Eggs bought from farmers of Michigan last spring at prices as low as 12 cents a dozen are being sold by one of the "Big Five" meat packers to the public in the same localities at 50 cents a dozen, John G. Clark, wholesale grocer of Bad Axe, Mich., testified Dec. 2 before the Department of Justice committee considering the advisability of modifying the consent decree which, on becoming effective next February, would prohibit the meat packers from handling side-line food products. (Press, Dec. 3.)

Europe's Consumptive Power

An editorial in The Wall Street Journal, Dec. 2, says: "Conditions in Europe are of tremendous importance to the farming community of this country. And as the farming section furnishes a domestic market for about 40 per cent of our business, every one who draws a pay envelope is affected by Europe's ability or inability to pay for goods purchased here. ... Our exports show the struggle a continent is making against hunger and adverse markets. Much has been said about the wheat crop being larger than last year, but no one speaks of the serious decline in other crops like potatoes. ... If any farmer, having milk or beef to sell, mourns the market that existed a year ago, let him sit down and figure out the difference between the present value of the dollar and a franc or lira. Let him figure how much more a bushel of wheat will cost an Englishman with sterling at present rate

compared with what it would cost if exchange in London were at par. Ordinarily a Belgian could buy a dollar's worth of lard or milk for about five francs; now he must hand over nearly twenty-five of his francs to get a dollar's worth. When an Italian buys wheat he must give lire worth at par 19.3 cents and receive about four cents for them. Such rates of exchange restrict the purchaser's buying power, which in the end reacts upon the prosperity of the farmer and factory workers alike."

Fruit
Marketing
in New Jersey

Plans for bringing into one great central selling organization all of the fruit-growing farmers of New Jersey were completed Dec. 2 by representative orchardists from the chief apple and peach counties, and the combine, to do business under the name of the New Jersey Fruit Growers' Cooperative Association, will begin at once to prepare for handling next summer's crop, which is expected to be the largest ever raised in this State. The State now has approximately 5,000,000 trees in commercial orchards. Of these, 3,000,000 are peaches and the balance apples. (Press, Dec. 3.)

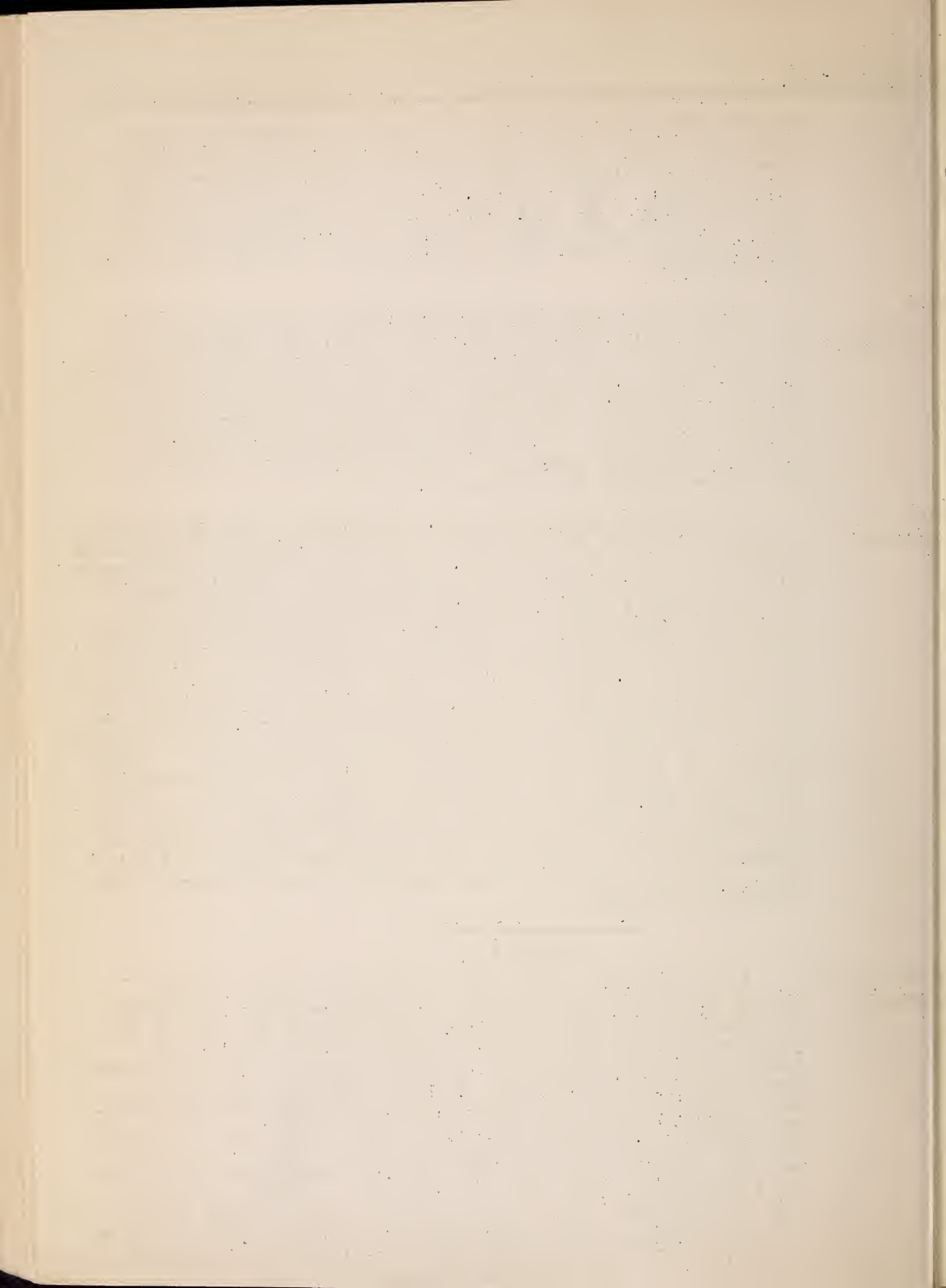
Price
Adjustment

An editorial entitled "A Curious Conception" in New York Produce Review and American Creamery for Nov. 30 says: "Among the 'fundamental planks' in an agricultural policy revealed to the third annual convention of the American Farm Bureau as the probable recommendations of the Congressional Joint Commission of Agricultural Inquiry is the following: 'Adjustment of the relation of agricultural prices to the prices of other commodities, including transportation.' One can but wonder how it is proposed to secure this adjustment. It can hardly be conceived that prices of farm products could be controlled or kept in any uniform relation to other commodity prices by legislation. And if it is expected to secure such control by farmers' marketing organizations, the specific legalization of which is the purpose of another 'plank,' the project will prove equally futile. It is inconceivable that even a complete organization of productive forces and an attempt to regulate and control the volume of production could result in any real stabilization of values of farm products. Neither shortage nor surpluses could be avoided and their effects upon values are inevitable in the long run, even if there could be a complete control of the marketing machinery."

Section 3.

Department of
Agriculture

In an editorial entitled "How to Help the Farmer," Chicago Journal of Commerce for December 1 says: "In the confusion of ideas and theories concerning the taxation that punishes the rich and the situation that finds the farmer getting a low price for what he raises and paying a high price for what he buys, Secretary of Agriculture Wallace has no illusions. He sees clearly that what must be done really to aid the farmers is not to hector the railroads, penalize business, and slander every man who has a dollar, but to increase the number of consumers of the products of the farm. He discusses this in a letter to the Wall Street Journal, which concludes: 'If the relationship between the farmer's wages, as represented by what he gets for his crops, and the wages of other people, whether workmen, merchants, business men or manufacturers, is continued for any length of time, it will cause profound changes in the nation.' It may be



assumed that Secretary Wallace appreciates that the uneconomic scale of wages against the farmer can be readjusted only by readjusting the scale everywhere. Wartime wages cannot be maintained in any special branch of industry as against the rest of any group. ... If there is a lesson in what Secretary Wallace says, and it is up to the farmer to profit by it, it is that the agricultural interest is so inextricably interwoven with the general situation that it is entirely dependent upon it. Agriculture and business must work hand in hand. The farmer cannot be helped by a blow struck at business - and this must be impressed upon Congress before we can expect any great improvement of conditions."

Section 4.

MARKET QUOTATIONS

Farm Products

Dec. 2: Chicago wheat prices lower most of day but rallied at close; foreign demand fair; export sales over 1/2 million bushels. Corn had fair undertone and averaged higher; country offerings limited; export demand reported good. Chicago May wheat closed higher at \$1.17 1/4; Chicago May corn higher at 54 3/4¢. Closing prices Chicago cash market: No. 2 red winter wheat \$1.26; No. 2 hard winter wheat \$1.15; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in central Iowa for No. 2 mixed corn about 34¢; two farmers in Central North Dakota for No. 1 dark northern wheat \$1.09 1/2; two farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market lower, bulk of sales \$6.65 to \$6.80. Beef steers mostly 25¢ higher, medium and good beef steers \$6.15 to \$10. Butcher cows and heifers strong at \$3.60 to \$8.75. Fat lambs strong to 25¢ higher at \$9.25 to \$10.75.

Eastern potato markets slow and dull. Prices f.o.b. shipping points: Maine Green Mountains \$1.31 to \$1.41 bulk per 100 lbs; New York Round Whites \$1.70 sacked; Yellow Globe onions \$5.25 to \$5.40 sacked per 100 lbs.; extra Fancy Winesap apples \$2.10 to \$2.15 per box. Danish type cabbage \$40 per ton bulk f.o.b. Rochester, N.Y.

Hay markets generally slightly stronger on light receipts. Wheat feed prices show some advance but demand limited. Gluten feed advanced \$1 Dec. 1.

Butter markets firm. Account relatively higher prices at Chicago it is reported that numerous shipments are being diverted. Cheese markets quiet; prices barely steady.

Spot cotton prices declined closing at 16.96¢ per lb. New York December future higher at 17.25¢. (Prepared by Bur. of Mkts. and Crop Est.)

Industrials and Railroads

Dec. 2: Average closing price 20 industrials 78.73, as compared with 77.08 corresponding day 1920; average closing price 20 railroad stocks 75.50, as compared with 77.55. (Wall St. Jour., Dec. 3.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 54

Section 1.

December 5, 1921.

Sixty-Seventh Congress

"The first regular session of the Sixty-Seventh Congress will convene at noon to-day. ... The impending Congress is the first to deal with the Government's expenditures in budget form.

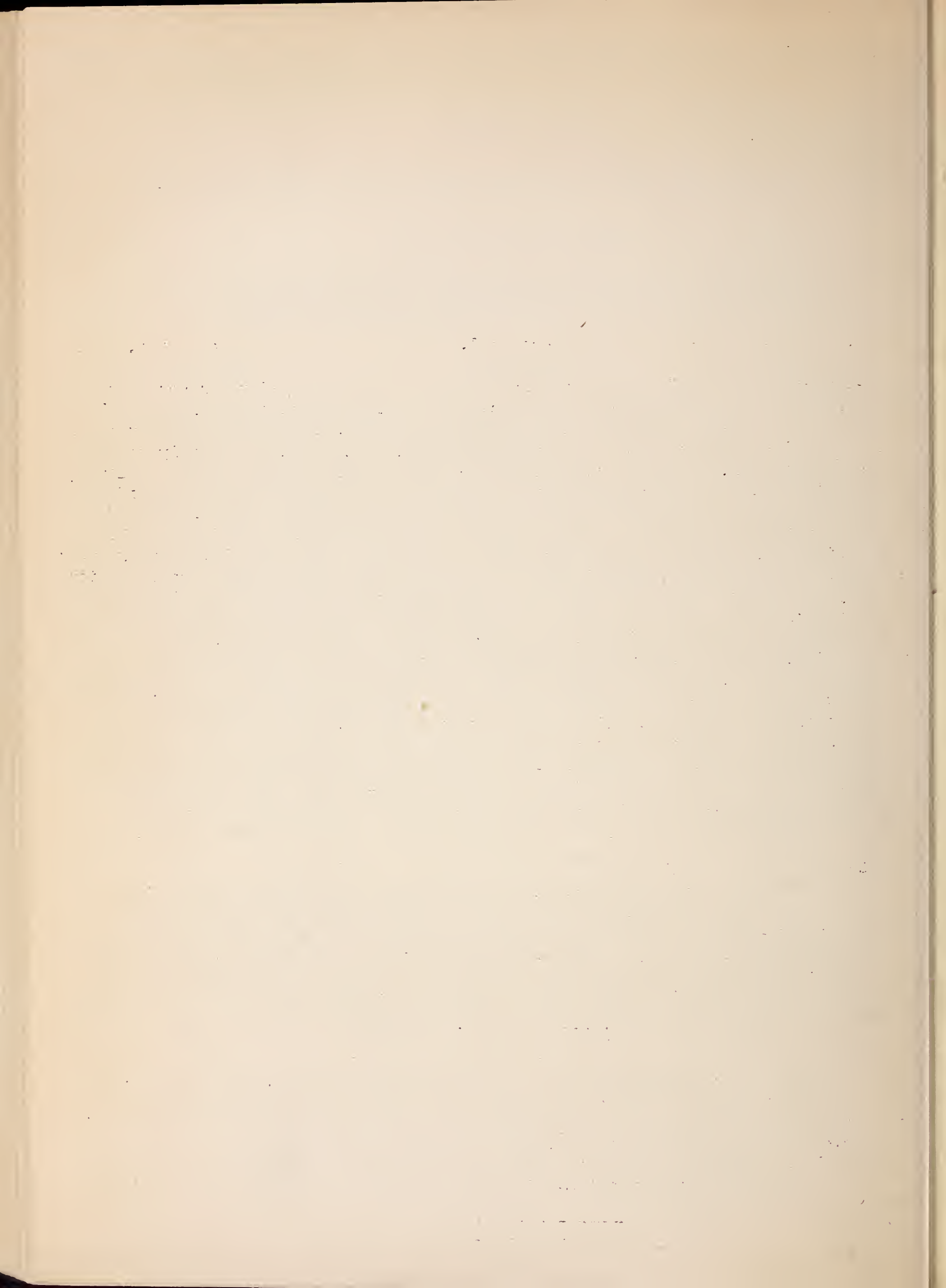
The House and its appropriations committee will take up the combined supply bill with the expectation, according to Chairman Madden, of the appropriations committee, of having all of its items to the Senate by April 5, the earliest date, he said, this had ever been accomplished. Mr. Harding is expected to deal in his message with the preeminent question before Congress - tariff - and also may discuss the requirements of the merchant marine and the funding of the allied debt. With respect to the allied debt bill, the President's stand urging immediate and favorable action is already well known. Inquiries into the railroad and agricultural problems have been progressing for several months, but neither can be expected, according to leaders, to take concrete legislative form for several months. The joint congressional commission of agricultural inquiry does not expect to have its data together before another month, while the Senate committee considering railroad questions promises to continue equally as long before it attempts to suggest changes in the transportation act. Reorganization of governmental bureaus and functions, including the administration of Alaska, promises to be a subject at the forefront of congressional business. The House plans to deal among its first tasks with the measure reclassifying Federal employees. Representative Mondell, Republican leader, has set that bill tentatively for consideration next Friday." (Assoc. Press, Dec. 5.)

Farm-Labor Group

The New York Times to-day says: "With legislation of the first importance in domestic and international concerns to be considered in the coming session, the Republican leaders find themselves unable to lead. The progressive farm-labor bloc is stronger than in the special session, when it defied the recognized leaders and even rejected the advice of President Harding on the surtax feature of the revenue bill. During the recess this bloc has perfected its organization and it will appear with a settled program."

Tariff Revision

Postponement of a general tariff revision until world economic conditions become more settled and the abandonment of plans to adopt the so-called American valuation plan, have been recommended by a special committee of the Chamber of Commerce of the United States. Announcement was made Dec. 4 that a referendum would be taken on Wednesday to determine the viewpoint of the 1,400 commercial organizations comprising the chamber on these and other questions relating to the tariff problem. (Press, Dec. 5.)



Freight Rates Voluntary railroad proposals for inauguration of a 10 per cent decrease in freight rates on practically all farm, range and orchard products in the United States, outside of New England, were accepted Dec. 3 by the Interstate Commerce Commission. Orders were issued allowing the railroads to disregard all usual restrictions in making up the new rate schedules, as well as such violations of the long-and-short-haul clause of the Interstate Commerce act as might be brought about by percentage reductions. The orders also permit the rates to be put into effect on one day's notice, "on as early a date and in as inexpensive a manner as possible," for a six-month experimental period. At the same time, the commission left standing its order of Oct. 29, requiring an approximate 16½ per cent rate decrease on grain, grain products and hay throughout the entire trans-Mississippi district, which the railroads were later instructed to put into effect by Dec. 27. (Assoc. Press, Dec. 4.)

Strike Against Packers Forbidden temporary restraining order to packers and union officials in Kansas City, Kans., to "continue the present status, terms and conditions of employment." The order, according to Richard J. Hopkins, attorney general of Kansas, constituted a virtual injunction against the strike called for Monday, Dec. 5. (Assoc. Press, Dec. 4.)

Section 2.

Commodity Distribution Data The appointment of seven committees to secure distribution data in respect to commodities was announced Dec. 1 by Representative Anderson, chairman of the Congressional Joint Commission of Agricultural Inquiry. The representatives of the several commodities, without exception, welcomed the opportunity given by the commission to present data. All committees are working on preparation of questionnaires, and all data secured will be analyzed. This analysis, together with work sheets, will be submitted to the commission not later than Jan. 1. (Commission press statement, Dec. 1.)

Corn Acreage The Indiana Farmer's Guide, Dec. 3, says in an editorial: "Sentiment among farmers seems to be pretty well fixed in favor of limiting next year's corn crop. Letters received at this office from our readers would indicate this. They say there is no sale for the present crop and where they can dispose of it the price is below the cost of production. Consequently many farmers have determined to lock up their well-filled cribs, leave their fields in grass or plant to some other crop, raising next year only what they will need on their own farms. ... But should farmers generally follow the policy of cutting down their acreage of corn next season? We believe they should, viewing the situation as it exists at the present time. Certainly they should make no effort to increase production. No one can foretell what the weather conditions may be next season, nor to what extent nature may take a hand in reducing the harvest but with a normal growing season it would seem advisable to reduce the acreage to a considerable extent, some say as much as 25 per cent. ... Wallaces' Farmer suggests that some leading farm organization call a meeting of representatives of the corn states to map out a program of acreage reductions to be made by each state. By this plan individual farmers would be asked to sign an agreement to plant so many acres less than in 1921. It is doubtful whether such a plan could be put



over between now and spring as it would involve a great deal of organization work and much personal effort on the part of some one. To really bring about any stipulated percentage of reduction signed agreements would be necessary, but we believe, judging from the sentiment expressed by our correspondents, that farmers generally are in the mood to voluntarily limit corn production next year."

Cotton Men's Meeting

An important conference of cotton men, called by the Memphis Clearing House, Memphis Cotton Exchange, and the Memphis Chamber of Commerce, will be held at Memphis on Dec. 12 to consider cotton problems of the coming year, market matters and other questions. There will be delegates from the American Cotton Association, commissioners of agriculture, and cotton exchange representatives from the different cities and states. The curtailment of the 1922 crop is aimed at. (N. Y. Daily News Record, Dec. 2.)

Economic Readjustment

"The Ultimate Method of Economic Readjustment" is the title of an article in The Economic World for Nov. 26, which says in part: "It is now wholly clear to all competent students of the causes of the economic depression from which the United States, together with virtually all other countries in the world, is suffering severely at the present time, that it is an error of the first magnitude to attribute primarily to such essentially superficial phenomena as the confusion of the governmental finances of many nations, the dislocations of domestic and international credit, the disparities and uncertainties of the international exchanges and similar manifestations of world-wide economic disturbance, the more fundamental evils of a well-nigh universal contraction of industry and commerce, of industrial unemployment upon an unheard-of scale, of the gradual wasting away for lack of profitable use and adequate replacement of capital employed in production, and of the progressive impoverishment of great numbers of people in every community which these conditions inevitably produce. ... In truth the reasoning of the economist is quite in an opposite direction. It is that when an American farmer can buy a suit of clothes or a pair of shoes or a plough or a reaping machine for the same number of bushels of wheat or corn, the same number of cattle or swine, he formerly gave in exchange for these articles, he will buy as many of them as ever he did and will thereby give employment to as many industrial workers as ever were needed to supply his wants. Or, turning to war-impoverished Europe, it seems clear to the economist that when the products of the great industrial countries are offered to the scores and hundreds of millions of people of the war-wasted nations upon terms concordant with their diminished wealth and purchasing power, they will buy these products in as large quantities as in the old days and will keep the old number of workers busy in the process of production and distribution."

Farm Insurance Association Formed

"It is believed that the threatened demoralization in the farm insurance business of the West was averted by the meeting at Chicago, Dec. 1, at which the Farm Association was organized. Thirty-eight companies were represented and all signed the agreement. It was agreed that some form of association was necessary to insure uniformity of practice and the organization will operate along the general line of the Union and the Bureau." (Jour. of Commerce, Dec. 2.)



Financing
Agricultural
Exports

Governor McCray, of Indiana, chairman of the Corn Belt Advisory Committee of the War Finance Corporation, has told the Chicago Board of Trade that Congress will be asked to pass a bill for a foreign trade association to lend money to foreigners for purchases of American corn and other agricultural products. The committee believes Congress has appropriated plenty of funds to take care of every responsible farmer who needs help and urges bankers to serve their several communities by carrying farmers whose notes they hold and making new loans to worthy farmers. (Press, Dec. 5.)

Financing
Live-Stock
Men

If financial institutions such as local banks or state trust companies refuse or fail to finance the farmer under the plans of the War Finance Corporation, or if there be red tape or delay in immediate financing, cattle-loan companies or other institutions will be organized to meet the need of the corn-belt live-stock men. This statement was made at Chicago, Dec. 3, at the close of a meeting of the corn belt advisory committee of the War Finance Corporation. The committee in its report asserted that it was of the opinion that the need of funds by the farmers of the corn belt can be fully met under plans under which the War Finance Corporation is operating (Press, Dec. 3.)

Fruit
Marketing

Orchardists in the central Piedmont section are to be organized for protection in the future in the way of better production, marketing and storing apples, the promoters of the move being Judge Chamberlain of the production and marketing bureau of the Lynchburg, Va., Chamber of Commerce and J. G. Bruce, district agricultural agent, who were asked by growers to arrange for the formation of county associations. (Press, Dec. 4.)

Muscle Shoals
Plant

Henry Ford, Dec. 3, gave the reason for his desire to lease and operate the Muscle Shoals nitrate and waterpower project as follows: "From the operation of this plant," he said, "many great things are possible, greater power production than this country has yet known, greater motor production, the production of aluminum and nitrates in quantities which will make undreamed-of changes in many industrial fields and in American farming. But so far as I am concerned, all those things are incidental. The one big thing which I see in Muscle Shoals is an opportunity to eliminate war from the world." Mr. Ford was asked how this was possible. "Just this way," he replied. "It is very simple when you analyze it. The cause of all wars is gold. We shall demonstrate to the world through Muscle Shoals, first the practicability, second the desirability of displacing gold as the basis of currency and substituting in its place the world's imperishable natural wealth. ... " (N. Y. Times, Dec. 4.)

Rail Wages

Railroads of the United States had 1,634,872 employees in July, 1921, to whom they paid in wages \$214,339,385, according to statistics made public by the Interstate Commerce Commission, based on reports from the carriers. The compensation statistics for July are the first to be compiled under the new rules governing classification of steam railway employees effective July 1 and are the first to be compiled since the 12 per cent reduction in wages ordered by the Railroad Labor Board went into effect. (Press, Dec. 4.)



Section 3.

MARKET QUOTATIONS

Farm Products

The wheat market had a firm undertone during the week and prices averaged slightly higher. Domestic and foreign drought conditions were the market features. It was reported that of the 17,500,000 acres in Kansas, Oklahoma and Texas about 50 per cent has not germinated. Foreign demand at seaboard good at close; milling demand slow. Domestic and seaboard demand for corn continued good.

All Chicago live stock prices, except for hogs, advanced. Hogs down 5 to 25¢, light hogs declining least. Beef steers and fat cows and heifers mostly 25¢ to 50¢ higher. Stockers and feeders firm to 25¢ higher. Fat lambs and sheep generally 50¢ higher; feeding lambs up 50 to 65¢.

The potato markets were slow with most eastern markets steady. Round Whites at Wisconsin points dropped \$1 per 100 lbs. warehouse cash to growers. Barreled apple markets nearly steady; boxed apples higher. Cabbage was strong in eastern city markets. Massachusetts yellow onions were weaker at shipping points; steady in most consuming markets.

Light hay receipts caused some improvement in the hay market and prices were firm. Offerings of all feedstuffs plentiful, but demand generally light due to open weather.

All butter markets except Chicago were steady to firm. At the close Chicago declined sharply under heavy supplies. Storage butter moving better in all markets. Cheese markets quiet; prices barely steady.

Spot cotton declined about 25 points; New York December future down 13 points.

Dec. 3: Reports of snow and rain over drought sections in Southwest influence selling of wheat, but there was a reaction from the low point on buying induced by Oklahoma report of a condition of 58, the lowest on record. Corn had firm undertone. Chicago May wheat closed lower at \$1.16 1/2; Chicago May corn lower at 54 5/8¢. Closing prices in Chicago cash market: No 2 red winter wheat \$1.25; No. 2 hard winter \$1.15; No. 2 mixed corn 51¢; No. 3 white oats 33 1/2¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.08 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 97¢.

Chicago hog market higher, bulk of sales \$6.60 to \$6.90. Cattle and sheep practically unchanged; medium and good beef steers \$6.15 to \$10; butcher cows and heifers \$3.60 to \$8.75; light and medium weight veal calves \$6.50 to \$9.75; fat lambs \$8.25 to \$10.75.

City potato markets dull; nearly steady. Prices f.o.b. shipping points: Maine Green Mountains steady at \$1.31 to \$1.41 bulk 100 lbs.; New York Round Whites down 5¢ at \$1.65 to \$1.70 sacked 100 lbs.; New York Danish type cabbage \$40 per ton bulk; Massachusetts Yellow Globe onions \$5.15 to \$5.50 per 100 lbs. Baldwin apples A 2 1/2 from cold storage \$7 per bbl. f.o.b. Rochester, N.Y. - Spot cotton higher at 17.10¢ per lb. New York December futures also higher at 17.52¢.

(Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Dec. 3: Average closing price 20 industrials 79.00, as compared with 77.63 corresponding day 1920; average closing price 20 railroad stocks 75.50. as compared with 77.50. (Wall St. Jour., Dec. 5.)



UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. III, no. 55.

Section 1.

December 6, 1921.

Federal Budget

"The effort which the administration is making to get its annual expenditures down to \$2,500,000,000 or less was reflected Dec. 5 in the first report of Director of the Budget Dawes, which was sent to Congress by President Harding. Mr. Dawes estimates the expenditures for the fiscal year ending June 30, 1922, exclusive of postal expenditures paid from postal revenues, at \$3,967,922,366, and for the fiscal year 1923, at \$3,505,754,727. The latter figure is approximately \$500,000,000 below the sum which Treasury officials recently estimated would be required annually to run the Government for some years to come. It also is \$2,032,285,962 less than the \$5,538,040,689 actually spent in the fiscal year ended June 30, 1921." (N. Y. Times, Dec. 6.)

Tariff Legislation

"It developed during the first hours of the new session that the tariff bill, which Senator Penrose and other majority members of the Finance Committee had said would be ready to be reported before the Christmas recess, will not be out of committee until sometime in January. 'There seems to be a persistent rumor,' said Mr. Penrose, 'that there will be no tariff legislation by this Congress. I do not know the source of these rumors, but they are absolutely without justification. There will be a tariff bill, and it will be passed by this Congress, and we will get the bill in January.' The American valuation plan, Senator Penrose said, may be modified before it is finally approved by the committee and reported to the Senate. He was not prepared, he added, to state in what way the plan would be modified, adding that this phase of the situation was still to be considered by the committee. (N. Y. Times, Dec. 6.)

Waterway

Legislation

Debate began in the House Dec. 5 on the question of improving the St. Lawrence River as proposed in the Great Lakes-St. Lawrence deeper waterway project. Representatives Chalmers, of Ohio, and A. P. Nelson, of Wisconsin, favor the development, while Representatives Griffin and Hicks, both of New York, opposed it. (Press, Dec. 6.)

Packing House

Workers' Strike

The ranks of packing house workers in several live-stock centers outside of Chicago were reported depleted Dec. 5, while all except a few independent plants in Chicago were reported to be operating on a nearly normal basis on the first day of the strike called by the Amalgamated Meat Cutters and Butcher Workmen's Union. In the Chicago plants of the "Big Five" packer companies officers announced that from 90 to 95 per cent of their forces reported for work Dec. 5 and that they were experiencing no difficulty in operating. (Assoc. Press, Dec. 6.)

Section 2.

Agricultural 1.
Bloc

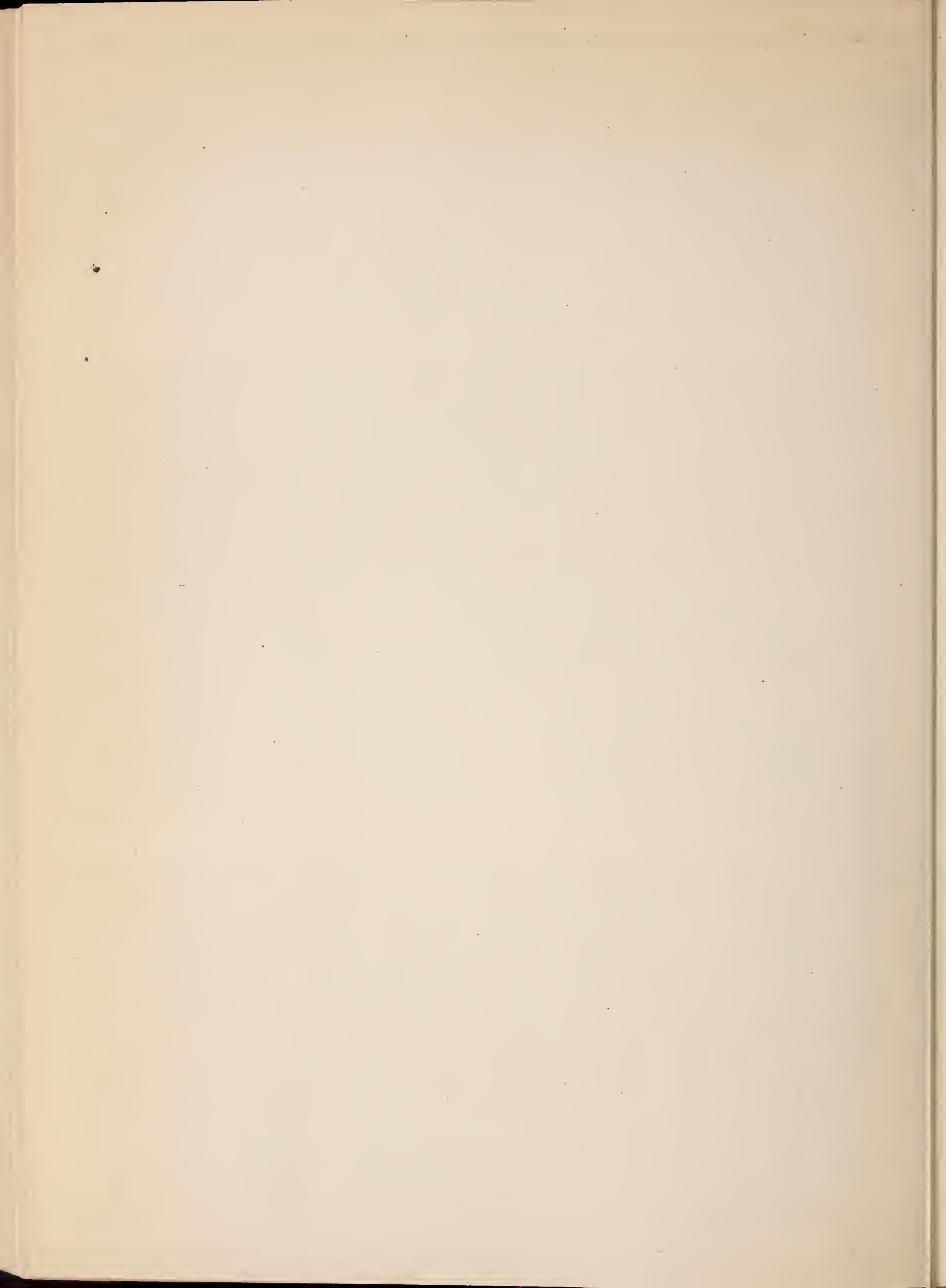
The New York Times to-day says in an editorial: "Congress opens its regular session with the agricultural bloc proposing again to take control. Flushed with its triumph in the extraordinary session, it is already issuing decrees and ultimatums respecting this one. It has served notice that it will not permit the adoption of the sales tax - not even to pay the soldiers' bonus. It poses as the 'predominant partner' and the deciding voice in all legislation. The ideal which it sets before itself is that state of government described once by Lord Salisbury as the one in which the rich pay all the taxes and the poor make all the laws. This is the darkest cloud overhanging the regular session of Congress. ... "

2. The Washington Herald to-day says editorially: "Even our not-too-metropolitan neighbor, the virile Richmond Times-Dispatch, has a certain feeling of alarm at that new octopus born upon The Hill in this session of Congress and christened the 'agricultural bloc.' The T-D is of the opinion that class legislation has never been popular in this country. It never has, when known by that name. But there has been mighty little financial or economic legislation in the past sixty years that could not as well, or better, have borne that title as what is credited to the present farm combination. Just what interests have drafted the schedules of every tariff act? What have had most to say as to the banking laws? Who have shaped the various bond issue measures from Panama Canal to Victory? Who has been accepted as the highest authority in framing commercial treaties? If our memory serves us, these were the interests, men and publicity agencies who are now parentizing all this agitation against the agricultural bloc. If ever there was a besotted kettle declaiming as to a self-labeled pot, it is here in evidence. ... As for The Herald, we can but wish this combination wise guidance. It came in response to decided need. It has done much good and little harm. ... The agricultural bloc is watching, and at the same time is being watched. With this situation in Congress the rest of us can be quite content and certainly have no cause for complaint if agriculture is at last coming to bat."

Agricultural 1.
Financing

The War Finance Corporation Dec. 3 announced it had approved 158 advances, aggregating \$6,420,000, for agricultural and live-stock purposes, in Nebraska, Colorado, Arizona, New Mexico, Oregon, Missouri, Illinois, Indiana, Iowa, Kansas, Minnesota, South Dakota, North Dakota, Wisconsin, Idaho, Utah, Nevada, Georgia, North Carolina, South Carolina, Virginia, Florida, Mississippi, and Texas. The corporation also approved the following export advances: \$24,000 to an exporter on tobacco; \$18,000 to a financial institution on tobacco; \$50,000 to an exporter on textile products.

The War Finance Corporation is informed that a new live-stock loan company has been established in Montana with an authorized capital stock of \$500,000, of which one-half has been subscribed and is presently to be issued. The Montana Agency of the Corporation states that the new company will be doing business within about ten days. The corporation is also informed that an agricultural and live-stock loan company, with an authorized capital of one million dollars, of which twenty-five per cent is to be paid in promptly, has been formed in Nebraska. (W. F. C. press statement, Dec. 3.)



Agricultural 2.
Financing

The War Finance Corporation has approved fifty advances, aggregating \$2,813,000, for agricultural and live-stock purposes, in Nebraska, Kansas, Missouri, Utah, Iowa, Wisconsin, Washington, North Dakota, South Dakota, Virginia, South Carolina and Georgia.

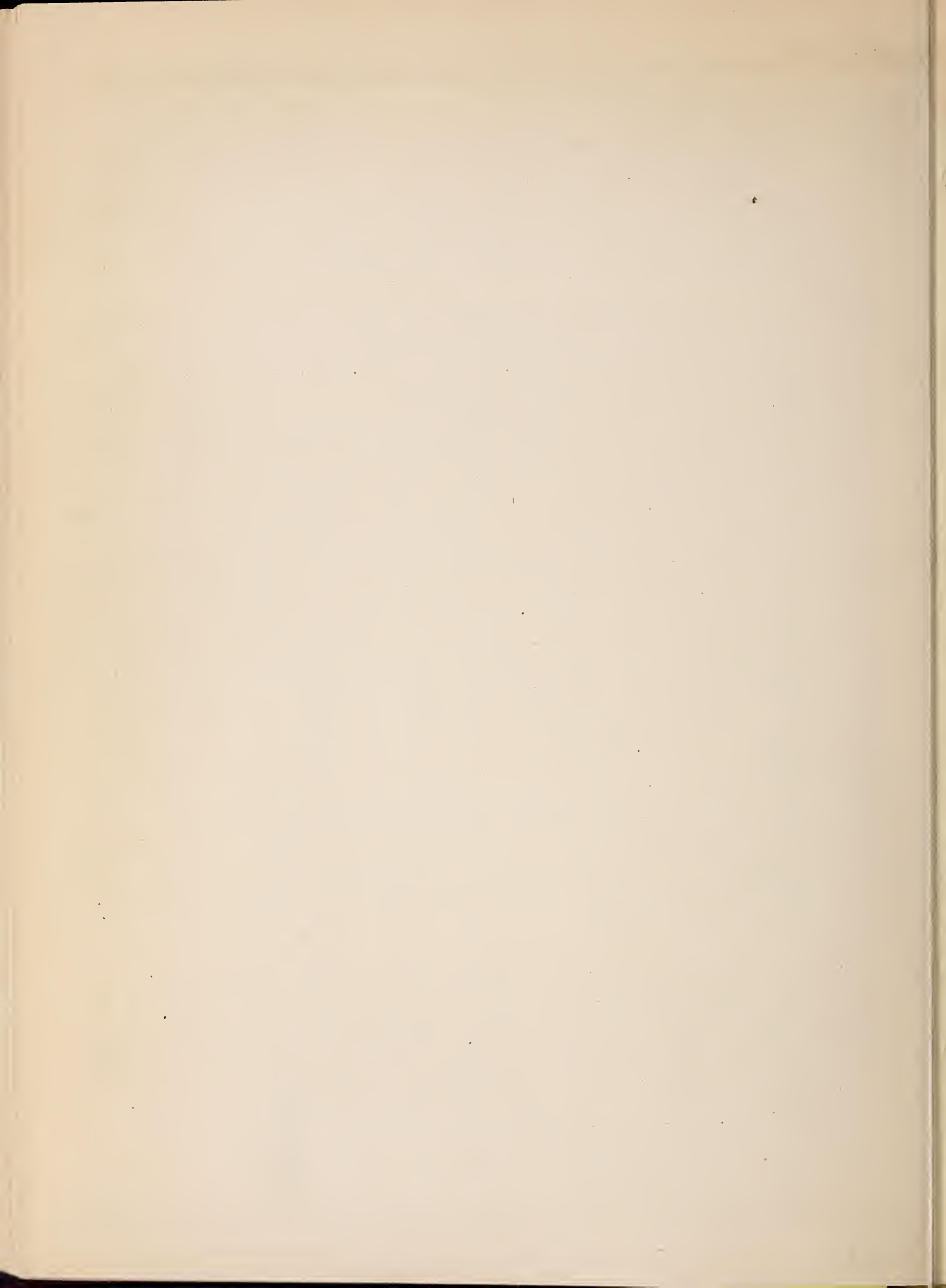
During the week ending Dec. 3, 1921, the War Finance Corporation approved 279 advances, aggregating \$11,505,000, for agricultural and live-stock purposes. In addition, export advances, aggregating \$92,000, were approved during the week ending Dec. 3, 1921, on tobacco and textile products. (W. F. C. press statement, Dec. 5.)

American Farm
Bureau Fed-
eration

A. F. B. F. Weekly News Letter for Dec. 1 presents a comprehensive review of the first meeting of the new executive committee of the American Farm Bureau Federation, at Atlanta, Ga., Nov. 24 and 25. Outstanding features of the meeting included the reelection of John W. Coverdale as secretary, with instructions to assume as much of the administrative detail as possible, so as to relieve President Howard for the important contact and conference work which demand the attention of the chief executive. Charles E. Gunnels was made Director of Finance and Organization, in addition to being reelected treasurer of the American Farm Bureau Federation. Each department of the Federation was placed under the special direction of a sub-committee of three. The salaries of the secretary and the Washington representative were reduced from \$12,000 to \$10,000 each per year. The Executive Committee voted to fix the salary of President Howard at \$15,000, the sum which he has earned since he was elected the first head of the American Farm Bureau Federation. In the face of the economic depression which has laid its heavy hand on farmers all over America, however, President Howard insisted that his wage be reduced. The President's salary was finally fixed at \$12,500 for the next year. The salary of the Treasurer and Organization Director was reduced from \$8,000 to \$7,500. A grain marketing committee of 5 was appointed to work out a method of cooperation between the Farm Bureau and the U. S. Grain Growers, Inc. A budget of \$10,000 was voted to be used to assist in developing the National Live-Stock Producers' Association and the co-operative live-stock marketing plan worked out by the Committee of 15 and ratified on Nov. 11. It was stipulated as fundamental Farm Bureau policy that all appropriations for marketing associations be made only when they have submitted evidence to the Marketing Committee that they have perfected a plan of organization by which a mutually helpful alliance can be effected.

Corn
acreage

The Farmer (St. Paul) for Dec. 3 says in an editorial: "Corn belt farmers are being approached by their leading farm papers and by farm leaders just now with the serious proposal of restricting the acreage of corn the coming season. The excuse for this proposal is found in the logical argument that, because the market has been unable to absorb the bumper crops of the past two years at a price that will pay for the bare cost of production, the crop acreage should be restricted in 1922 so that there will be only a normal carry-over of corn into 1923. ... Restricting crop production will arouse bitter criticism of the farmers by those selfish people who seem convinced that the farmer owes the world a cheap living. Yet, calmly considered, what other business could endure if no heed was given to the ratio between consumption and production? Limiting the production of foundation



crops, such as corn or cotton or wheat, to actual consumptive needs if it is possible, would not necessarily harm any class of people and it would undoubtedly increase the farmer's revenue. There is considerable merit to the proposed campaign for restricted corn production. There is also merit in the plan proposed for the public warehousing of corn and the financing of growers by the Government itself. These two plans might well be considered together. Something must be done about the salvation of the corn grower. If the Government will not come to his rescue with warehousing and credit facilities, he must take matters into his own hands. Restricted corn acreage is easily possible with the right sort of leadership and with determination on the part of growers."

Tobacco Marketing

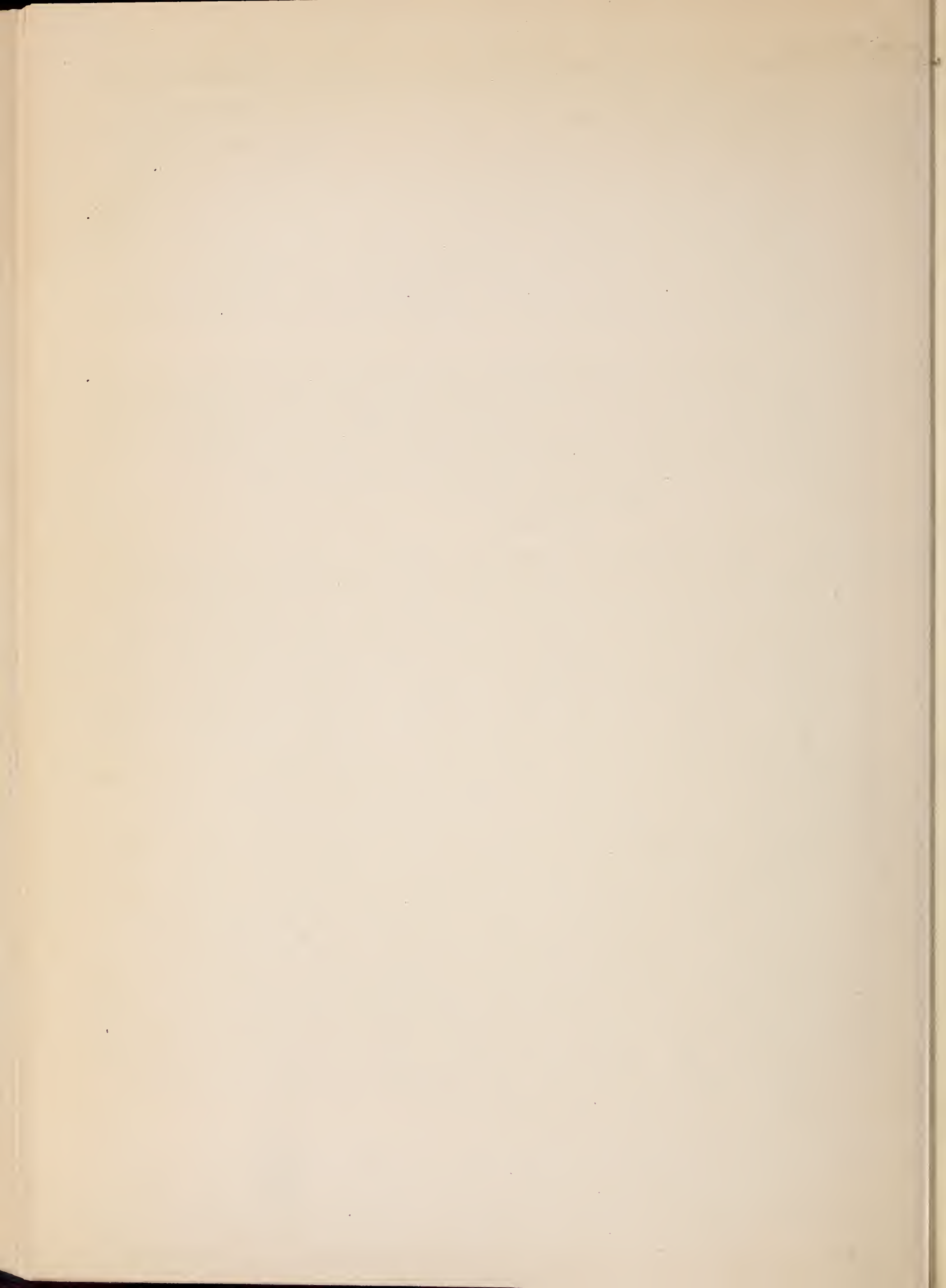
The Burley Tobacco Growers' Cooperative Association has incorporated under the laws of North Carolina and following the election of directors Dec. 12 will be ready for business. It has contracted for more than 180,000,000 pounds of tobacco, belonging to 49,000 growers in Kentucky, Ohio, Indiana and Tennessee, according to claims of officers. (Lexington, Ky., dispatch to press, Dec. 6.)

Section 3.

Department of 1. Agriculture

"The Secretary of Agriculture stressed a thought uppermost in the public mind in his address last week before the American Farm Bureau Federation when among other things he called attention to the fact that the permanent relief of agriculture must come not through politics or laws, but rather through business management of farming and business in marketing according to the demands of economic laws. According to Secretary Wallace, farmers, and business men as well, think too much about the aid of new laws in working out their respective problems, when in the long run these problems can only be solved by giving due observance to the world-wide working of economic laws. We believe there is good sense in this argument. There is an old saying that 'the least governed people are the best governed people.' In other words, what every nation needs is the minimum of laws and the maximum of enforcement of such laws as are placed on the statute books. Law-making is one of the habits of the American people, both in Congress and in our state legislatures. Probably one-third of the laws passed are needed and are enforced. The balance are passed to give prominence and votes to the politicians who make their living by cluttering up the statute books. ... If we would take the time and money and energy put into the securing of new laws in this country each year, and put this time and money and energy into thoughtful study of placing farming and business and industry in accord with the working out of world-wide economic laws of production and supply, we would begin to make rapid progress toward permanent prosperity and happiness. The business of farming needs more business in production and marketing and less laws. The Secretary of Agriculture told the truth." (The Farmer (St. Paul) Dec. 3.)

2. The Nebraska Farmer for Dec. 3 says in an editorial: "A movement is under way for the reorganization of certain bureaus of the United States Department of Agriculture and placing them bodily with other departments. Of particular concern to farmers is the specific proposal to remove the Bureau of Markets from the Department of Agricul-



tute and place it under the direct supervision of the Department of Commerce. ... This movement has the strong support of those who oppose the growth of cooperative activities by farmers and the assistance given them by the research and investigation specialists of the Bureau of Markets. The grain interests of course are included among the opposition. The opposition claim that the purpose of the plan is simply a consolidation of similar activities in two different departments, but it is easy to see that their aims lie deeper than that and that they wish to muffle and stifle the growth of farmer cooperation by finally restricting the work of the Bureau of Markets so that little constructive good will come from it. This plan will doubtless take definite shape in the coming session of Congress and a sharp reminder to your Congressman of the farmers' attitude will not be amiss. Let him know you oppose any attempt of this kind. The Bureau of Markets through its investigations and means of gathering statistics on prices, production and market conditions throughout the world has been of incalculable value to agriculture and properly belongs within the Department of Agriculture. ..."

Section 4.

Farm Products

Dec. 5: Wheat market narrow. Visible supply wheat 47,763,000 bushels, a decrease of 978,000 bushels for week. Corn steady most of day, but decline later with wheat. Visible supply corn 15,518,000 bushels, a decrease of 1,796,000 bushels for week. Chicago May wheat lower at \$1.15½; Chicago May corn lower at 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.08; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

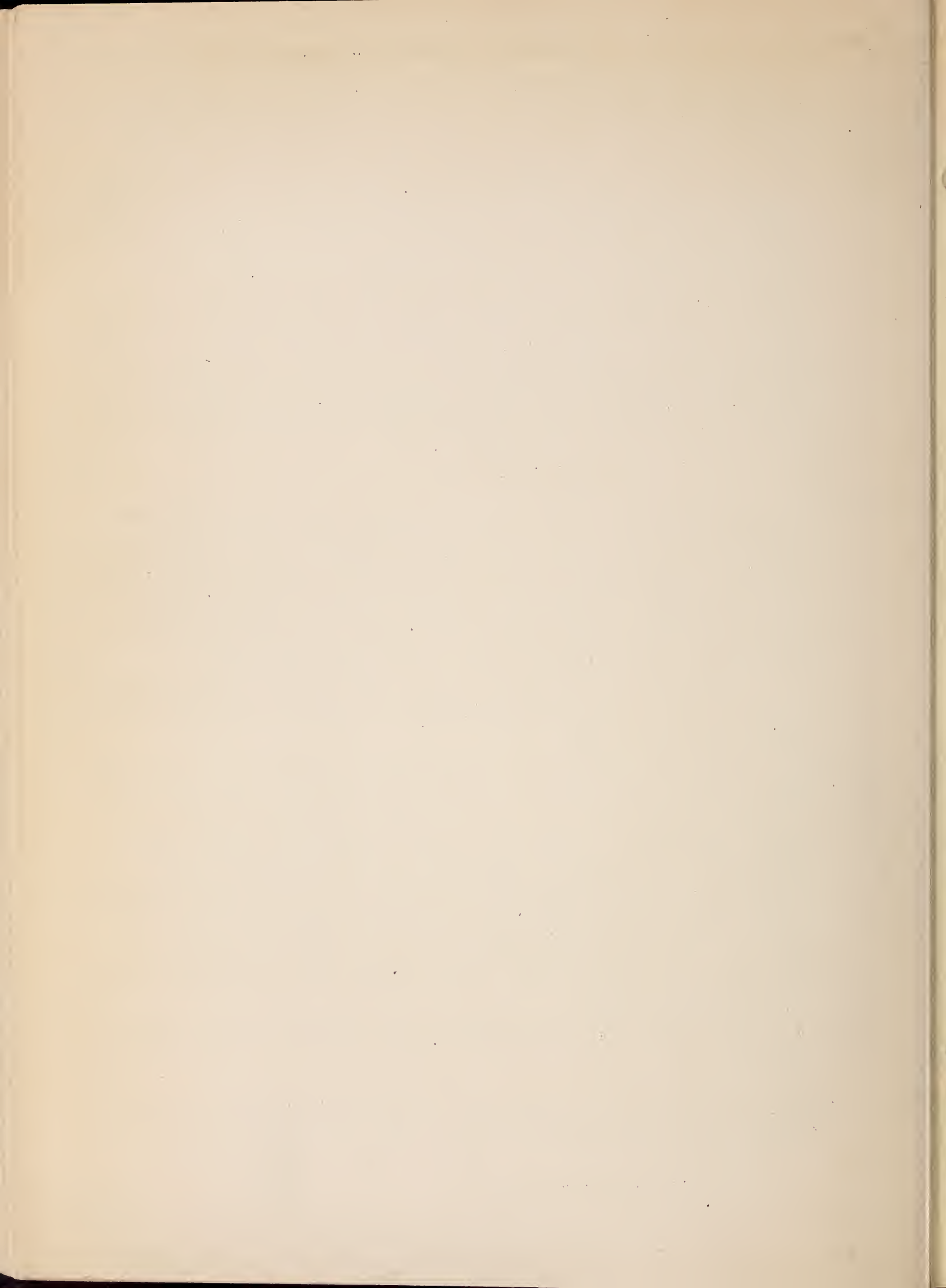
Chicago hog market lower, bulk of sales \$6.60 to \$6.80. Better grades of beef steers steady; medium and good beef steers \$6 to \$10; butcher cows and heifers \$3.60 to \$8.75. Fat lambs strong to 25¢ higher at \$9.50 to \$11.

City potato markets dull; prices steady. Prices f.o.b. shipping points: Maine Green Mountains mostly \$1.36 bulk per 100 lbs.; sacked New York Round Whites \$1.65 per 100 lbs.; Extra Fancy Winesap apples medium to large sizes \$2.10 to \$2.15 per box; Massachusetts Yellow Globe onions \$5.25 per 100 lbs. sacked. Danish type cabbage \$45 per ton bulk f.o.b. Appleton, Wisconsin; \$40 f.o.b. Rochester, N.Y. - Eastern hay markets strong; timothy up \$1 per ton at Boston and Philadelphia and \$3 at New York. Southern markets continue dull and inactive. Volume of feed business small; offerings generally good; - Chicago butter market made further declines under heavy supplies; other markets steady to firm. Cheese markets steady; interest centers mostly on hold cheese.

Spot cotton lower at 16.91¢ per lb. New York December futures also lower at 17.30¢. (Prepared by Bur. of Markets and Crop Estimates.)

Industrials and Railroads

Dec. 5: Average closing price 20 industrials 78.93, as compared with 76.73 corresponding day 1920; average closing price 20 railroad stocks 75.01, as compared with 76.28. (Wall St. Jour., Dec. 6.)



UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 56.

Section 1.

December 7, 1921.

The President's Message

President Harding, speaking to a joint session of Congress Dec. 6, pointed the way to further readjustments at home. In general recommendations, he outlined a domestic policy for the restoration of prosperity and the maintenance of industrial peace. The legislative program outlined by the President in a general way called for early revision of the tariff laws with special provision for "elastic" rates; authority for refunding the foreign debt; encouragement of cooperative marketing by farmers; revision of transportation rates to encourage development of small communities; establishment of a new labor policy with some method of settling labor disputes; abolition of tax-exempt securities; reclamation of arid and swamp lands; and appropriation of 10,000,000 bushels of corn and 1,000,000 bushels of seed for Russia. At a future date, the President said, he would make further recommendations as to revenue revision, expressing the opinion sustainment of rigid economies would enable further reductions in the tax burden. The budget, he added, would assist in that work. (Press, Dec. 7.)

Agriculture in the Message

In referring to American agriculture, President Harding said, in his message to Congress: "Something more than tariff protection is required by American agriculture. To the farmer has come the earlier and the heavier burdens of readjustment. There is actual depression in our agricultural industry, while agricultural prosperity is absolutely essential to the general prosperity of the country. Congress has sought very earnestly to provide relief. It has promptly given such temporary relief as has been possible, but the call is insistent for the permanent solution. It is inevitable that large crops lower the prices and short crops advance them. No legislation can cure that fundamental law. But there must be some economic solution for the excessive variation in returns for agricultural production. It is rather shocking to be told, and to have the statement strongly supported, that 9,000,000 bales of cotton raised on American plantations in a given year will actually be worth more to the producers than 13,000,000 bales would have been. Equally shocking is the statement that 700,000,000 bushels of wheat raised by American farmers would bring them more money than a billion bushels. Yet these are not exaggerated statements. In a world where there are tens of millions who need food and clothing which they cannot get, such a condition is sure to indict the social system which makes it possible.

"In the main the remedy lies in distribution and marketing. Every proper encouragement should be given to the cooperative marketing programs. These have proven very helpful to the cooperative communities in Europe. ... There is the appeal for this experiment. Why not try it? No one challenges the right of the farmer to a larger share of the consumer's pay for his product; no one can dispute that we cannot live without the farmer. He is justified in rebelling against the transportation cost. Given a fair return for his labor, he will have less occasion to appeal for

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financial aid; and given assurance that his labors shall not be in vain, we reassure all the people of a production sufficient to meet our national requirement and guard against disaster.

"The base of the pyramid of civilization which rests upon the soil is shrinking through the drift of population from farm to city. For a generation we have been expressing more or less concern about this tendency. Economists have warned and statesmen have deplored. We thought for a time that modern conveniences and the more intimate contact would halt the movement, but it has gone steadily on. Perhaps only grim necessity will correct it, but we ought to find a less drastic remedy."

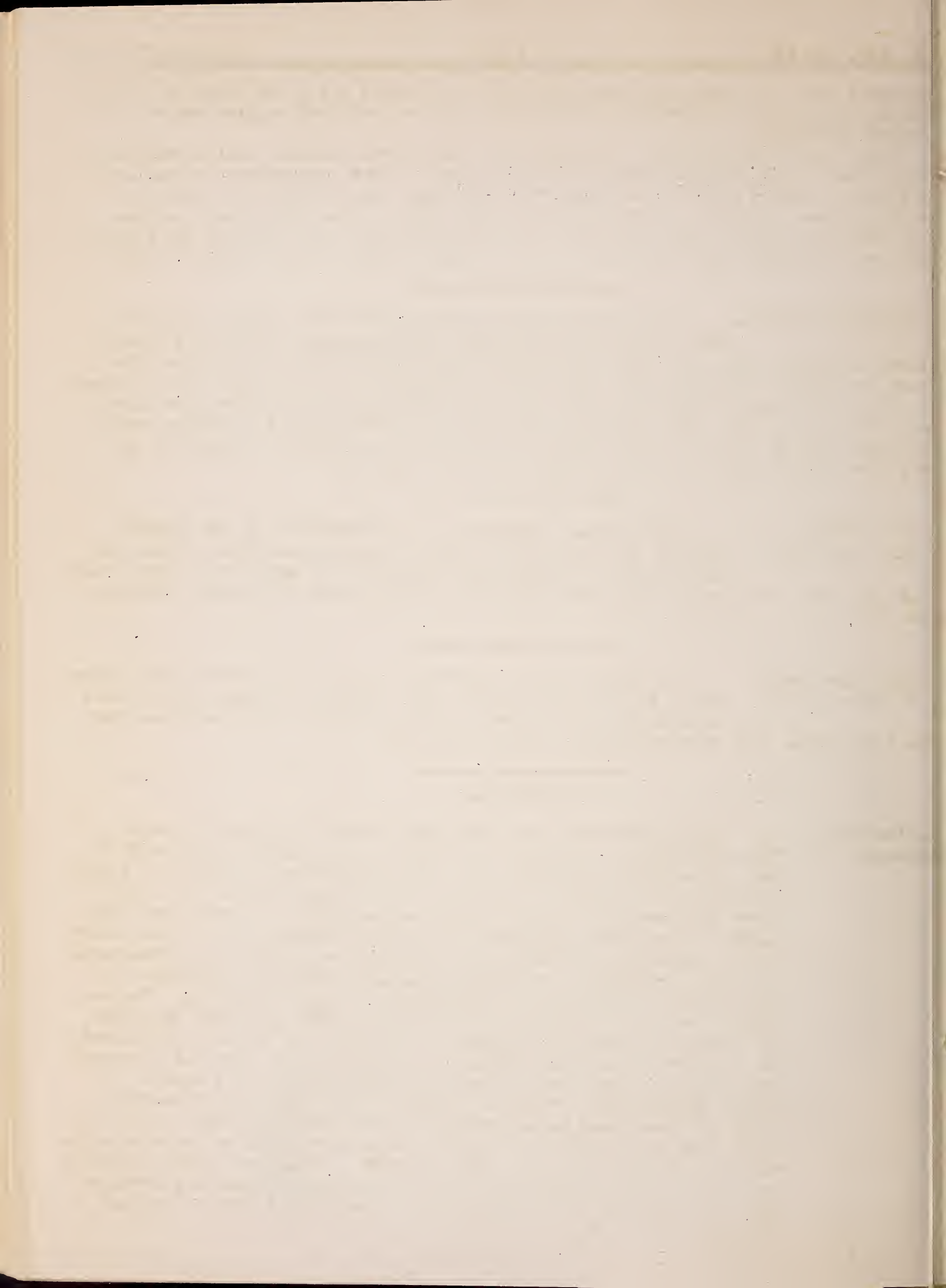
Tariff Legislation Amendments to the pending tariff bill designed to carry into effect the President's recommendation for greater flexibility in tariff rates were introduced Dec. 6 by Senator Smoot of the Senate Finance Committee. Mr. Smoot also introduced an amendment to the tariff bill designed to offset disparity in exchange rates when the currency of any country depreciates more than 5 per cent. His proposal would empower the President to proclaim duties not exceeding 50 per cent of the value of any given commodity in addition to the duty fixed in the bill for that article. (Press, Dec. 7.)

Food Holding The storing, acquisition or destruction of any article
Bill Introduced suitable for human food, fuel or other necessities of life for the purpose of limiting the supply or affecting the market price would be made a felony by a bill introduced Dec. 6 by Senator Poindexter. (Press, Dec. 7.)

Bill Introduced To extend for one year the powers of the War Finance Corpo-
to Extend W.F.C. ration to make advances for the relief of producers and dealers in agricultural products is the object of a bill introduced in the Senate Dec. 6 by Senator McNary. (Press, Dec. 7.)

Section 2.

Agricultural The New York National City Bank "Letter" for December says:
Financing "The prevailing opinion in many parts of the country has been that the agricultural districts have been discriminated against, or failed to receive the amount of aid they were entitled to, but the record shows this has not been the case. An analysis of reports from about 9,500 member banks throughout the country has been made by the Federal Reserve Board, and the banks classified as located in agricultural and semi-agricultural and non-agricultural territory, according to the relative importance of agriculture to other industries. The resulting summary shows that between May 4, 1920, and April 28, 1921, the loans and discounts of banks in agricultural counties throughout the country declined \$36,500,000, or slightly more than 1.2 per cent; the loans and discounts of banks in semi-agricultural counties declined \$18,700,000, or 1.3 per cent; and the loans and discounts of banks in non-agricultural counties declined \$827,100,000, or 5.6 per cent. The borrowings from the Federal Reserve banks by banks in agricultural counties increased \$127,600,000, or 56.6 per cent; borrowings by banks in semi-agricultural counties remained practically stationary; and borrowings by banks in non-agricultural counties declined \$629,100,000, or 28.5 per cent."



Business
Conditions

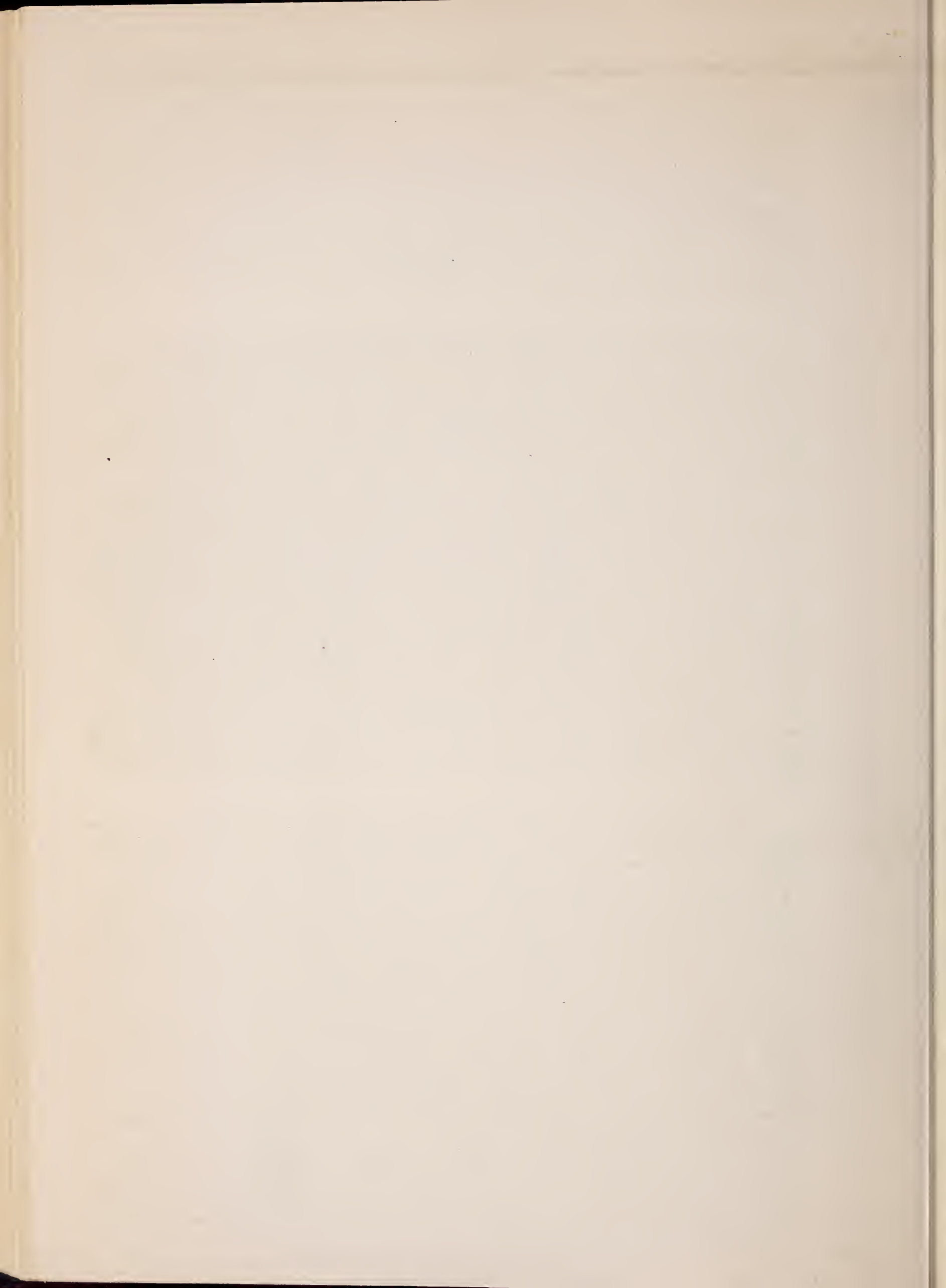
Gov. W. F. G. Harding, of the Federal Reserve Board, in an analysis of the business situation, Dec. 6 told members of the United States Potters' association, in session at Washington, that conditions throughout the nation are much better than they were a year ago and that America is on the verge of a great revival. He said: "The readjustment is not completed in some lines, as the farmer is not yet back to normal conditions. Until he gets his normal purchasing power we will not really have normal times; but the farmer's condition has materially improved, being benefited by the War Finance Corporation." (Press, Dec. 7.)

Corn as Fuel

The Philadelphia Public Ledger to-day says in an editorial: "Advices from the 'corn belt' west of the Mississippi indicate that upwards of a million bushels of corn have already been burned by the farmers of that region, with the prospect that twenty-five times that amount may be consumed as fuel should the coming winter prove severe and should the price of corn remain at the present low level. The agricultural authorities recognize the evil of this use of a valuable food product as fuel, but inasmuch as the cost of coal is far greater than that of corn, and as there is no profitable market for the latter, the question becomes one not of sentiment, but of practical necessity. With bituminous coal at its present prices, it is found that the corn has a fuel value of \$10 a ton, as against from \$6 to \$7 as a food material. If the pessimistic forecasts looking to the burning of vast quantities of corn as fuel should be realized in actual fact, the effect would be to increase the price of corn and thus restore normal conditions. But the outlook for any immediate remedy is not encouraging. Even if the plans for loaning money to the farmers to enable them to hold on to their crops for better prices should bear fruit, the relief will be slow in developing. One result, doubtless, will be to cut the corn acreage for next year, but that will not help the farmer to carry existing corn, some of which was grown as far back as 1919."

Cost of
Production
Studies

An editorial in The Nebraska Farmer for Dec. 3, basing its argument largely upon Department of Agriculture surveys of 1919 and 1920, says: "So long as soil, seasons, seed, and individual culture and care govern the yield of crops, it will never be possible to arrive at an average cost of production as a basis for fixing prices to producers. With these factors always present the variation between the two extremes is so great that a price which would return a reasonable profit above cost of production to those with the lowest cost would mean a big loss to the producers who have a high level of costs. The folly of attempting to fix prices on a basis of average cost is confirmed by the results of a 1920 survey by the United States Department of Agriculture on winter wheat costs. ... The big value, it seems to us, in keeping records on cost of crop production is in pointing out to the farmer what crops are the most profitable or least profitable to him and thus enable him to readjust his farming operations to eliminate the losses. Cost records will show at a glance what items of labor and other expense are high and can most easily be pared down. When statistics show such a wide range in the cost of production, it is impracticable to establish an average cost price basis for all farmers, and to say that prices could cover that cost plus a reasonable profit."



Cotton or
Peanuts

B. W. Hunt, of Eatonton, Ga., president of the Georgia Middle Bank, head of a cotton mill and owner of a cotton plantation, presented a paper before a recent convention of Georgia bankers, not for the purpose of devising a system of marketing farm products, advocated the production of peanuts as promising a surer and better return than cotton. His paper, published in Wall Street Journal, Dec. 6, says in part: "Peanuts, this year of low prices, are in large demand and exhibit a profit. ... When cotton was raised without pest or disease, the average yield for several middle Georgia counties was 188 pounds of lint per acre. At that time cotton would not average over 12 cents a pound, or \$22.56 an acre. There would also be 11 bushels of seed worth about \$4.40. The hay from an acre of peanuts would be worth more than the seed from an equal area of cotton, and the nuts show a higher income an acre than the cotton. ... "

Cotton Worm
Quarantine

Louisiana has quarantined against cotton shipments from Texas, Oklahoma, Arkansas and New Mexico on account of the pink boll worm. Louisiana early in the year took measures to guard against infestation by establishing wide zones around the areas in which traces of the worm had been found and forbidding the raising of cotton in those zones. Compensation was made to the farmers affected. (N. O. dispatch to press, Dec. 6.)

Freight
Rates

The new 10 per cent rate reduction on farm products for territories outside of New England will go into effect on Jan. 1, according to advices in railroad circles Dec. 6. The new schedules, covering all commodities, are in course of preparation. As the rates are to be effective for a period of six months only, it was thought that the first of the year would be an appropriate time to inaugurate them. The reduction of 16 1/2 per cent on hay, grain and alfalfa is scheduled to become effective Dec. 27, but the roads expect to ask the Interstate Commerce Commission to set aside this decision and to make the reduction agree with the 10 per cent cut for all farm products. (N. Y. Times, Dec. 7.)

Grain Bank
for Austria

The President of the Austrian National Assembly has made public a plan for the organization of a provisioning system in food-stuffs for the country which includes the establishment of a grain bank, to be organized under the direction of a New York grain concern. Several other American firms and a number of British and Dutch firms are said to be interested in this undertaking. (N. Y. Daily News Record, Dec. 5)

Hog Prices

"Every few years along in October or November when hog prices reach the most critical point of the entire year, the Cudahys of packer fame come out with a startling statement. Mike Cudahy is recently quoted as saying that hogs should be selling now at from 5 to 5 1/2 cents a pound, that the European demand warrants prices no higher than this and that, moreover, with corn at present prices, the cost of producing hogs is no more than 4 or 4 1/2 cents a pound. He says that if the packers do not keep down hog prices now to where they belong that the reaction will come next summer and that hog prices then will sink to 4 or 4 1/2 cents a pound. ... A possibly sound part of Mike Cudahy's argument is that the packers should reduce hog prices now to 5 or 5 1/2 cents a pound in order to deter the farmers from producing so many hogs that the price next year will sink far below

cost of production. Possibly Cudahy is right in this. We wonder, however, if it is always going to be necessary to control the supply of hogs in this barbarous fashion. Seven-cent hogs at Chicago may be out of line with 25-cent corn in this country, but if we look at the corn and hog industry as a whole, we find that 7-cent hogs return the average farmer only about three-fourths as much for his labor spent on corn and hogs as he received before the war. Mike Cudahy in arguing for 5-cent hogs is taking a short-sighted view of the fundamental supply and demand situation in the pork industry. (Wallaces' Farmer, Dec. 2.)

Packer Employees' Strike

Union officials, at the close of the second day of the strike of packing house employees, asserted 6,000 more workers had joined the strikers' ranks in Chicago, while the packers reported that between 90 and 95 per cent of their men were working, and that the places of strikers had been filled from the hundreds of unemployed applying for work. In other packing centers of the country representatives of the "Big Five" packers reported the strikers returning to work, while the officials of the Amalgamated Meat Cutters' and Butcher Workmen of North America, which called the strike, said the ranks of the strikers were being augmented. (Assoc. Press, Dec. 7.)

Section 3.

MARKET QUOTATIONS

Farm Products

Dec. 6: Chicago wheat prices advanced early but declined later when an over-bought condition was revealed. Corn lower on large receipts and weakness in wheat. Chicago May wheat lower at \$1.12 1/4; Chicago May corn lower at 53 1/4. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.19; No. 2 hard winter wheat \$1.11; No. 2 mixed corn 48¢; No. 3 white oats 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 33¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.04 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 93¢.

Chicago hog market higher, bulk of sales \$6.65 to \$7. Beef steers mostly 15¢ to 25¢ lower; medium and good beef steers \$6 to \$10; butcher cows and heifers \$3.35 to \$8.75. Fat lambs higher at \$9.75 to \$11.05.

Potato shipments increasing; markets dull. Prices f.o.b. shipping points: bulk Green Mountains \$1.36 to \$1.41 per 100 lbs.; New York Round Whites weak at \$1.65 sacked; Mass. Yellow onions \$5.25 per 100 lbs. Danish type cabbage \$45 to \$46 per ton bulk f.o.b. Appleton Wisc.; \$40 f.o.b. Rochester N. Y.

Spot cotton prices unchanged closing around 16.91¢ per lb. New Orleans December futures up 13 points at 16.48¢. (Prepared by Bureau of Markets and Crop Estimates.)

Industrials and Railroads

Dec. 6: Average closing price 20 industrials 79.36, as compared with 76.73 corresponding day 1920; average closing price 20 railroad stocks 75.24, as compared with 76.66. (Wall St. Jour., Dec. 7.)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. III, no. 57.

Section 1.

December 8, 1921.

President Expresses Belief that the armament conference "will demonstrate the View to Farm wisdom of internationally coming together - nations facing each Organizations other and settling problems without resort to arms" - was expressed Dec. 7 by President Harding in receiving a large delegation representing the National Board of Farm Organizations. The delegation, which was accompanied by a number of members of Congress, congratulated Mr. Harding upon the progress of the conference and pledged its complete support to the policies of the American Government as enunciated in the conference. "I don't claim any special merit for calling the conference," the President said to his callers when they concluded their addresses. "My only thought was to do my duty. However, it is a happy augury to find not only agriculture, but also the makers of arms and armaments - men who were naturally expected to have a personal interest in the revenues derived from war - are just as much in favor of limitation as farmers."

Charles S. Barrett, president of the National Farmers' Union and member of the official advisory committee to the conference, headed the delegation. Its formal statement was incorporated in a resolution expressing rejoicing over "the courage and self-denial of our republic in assuming leadership of the movement to reduce the ever-growing burden of militarism." (Assoc. Press, Dec. 7.)

Revenue Revision Further revision of the tax law, with a reduction of the maximum increase in surtax rates to 20 or 25 per cent and adjustment of the rates on business profits and estates, is suggested by the Secretary of the Treasury in his first annual report, submitted to Congress Dec. 7.

In this report Secretary Mellon declares that present annuities for persons retired under the civil service retirement act are too small and urges that they be increased. He also advocates lowering the retirement age from 70 to 68 years. (Press, Dec. 8.)

Finance Legislation Chairman McFadden, of the House Banking Committee, Dec. 7, requested an early hearing before the Ways and Means Committee on his bill proposing a constitutional amendment repealing the tax exemption privilege now enjoyed by certain securities. (Press, Dec. 8.)

War Finance Corporation Loans The War Finance Corporation would have authority to make loans until July 1, 1923, under a bill introduced by Representative Young, of North Dakota. Under existing law powers of the corporation to make advances automatically expire next July 1. (Press, Dec. 8.)

Cotton
Hearings

The remainder of the week will be devoted by the Senate Finance Committee to hearings on the cotton manufactures schedule, according to a statement Dec. 7 by Chairman Penrose, who said that hearings would go on during the holidays in expectation of concluding the by the first of the year. (Press, Dec. 8.)

Tariff
Legislation

"Congress reacted strongly and favorably Dec. 7 to President Harding's plan for a flexible and elastic tariff law. Despite the fact that it would represent a decided departure from past formulas of fiscal legislation, Republicans of varying shades of opinion, who are feeling the pressure from conflicting views on this subject in the country, are coming to hail the offered program as the surest way out of existing perplexities. It was believed by responsible party leaders yesterday as they studied the idea brought forward in the annual message, that it clearly indicated a way whereby Congress, without surrender of its constitutional rights and obligations, might lay down a general rule respecting rates of customs duties, without itself fixing a rigid schedule of rates." (Wash. Post, Dec. 8.)

Section 2.

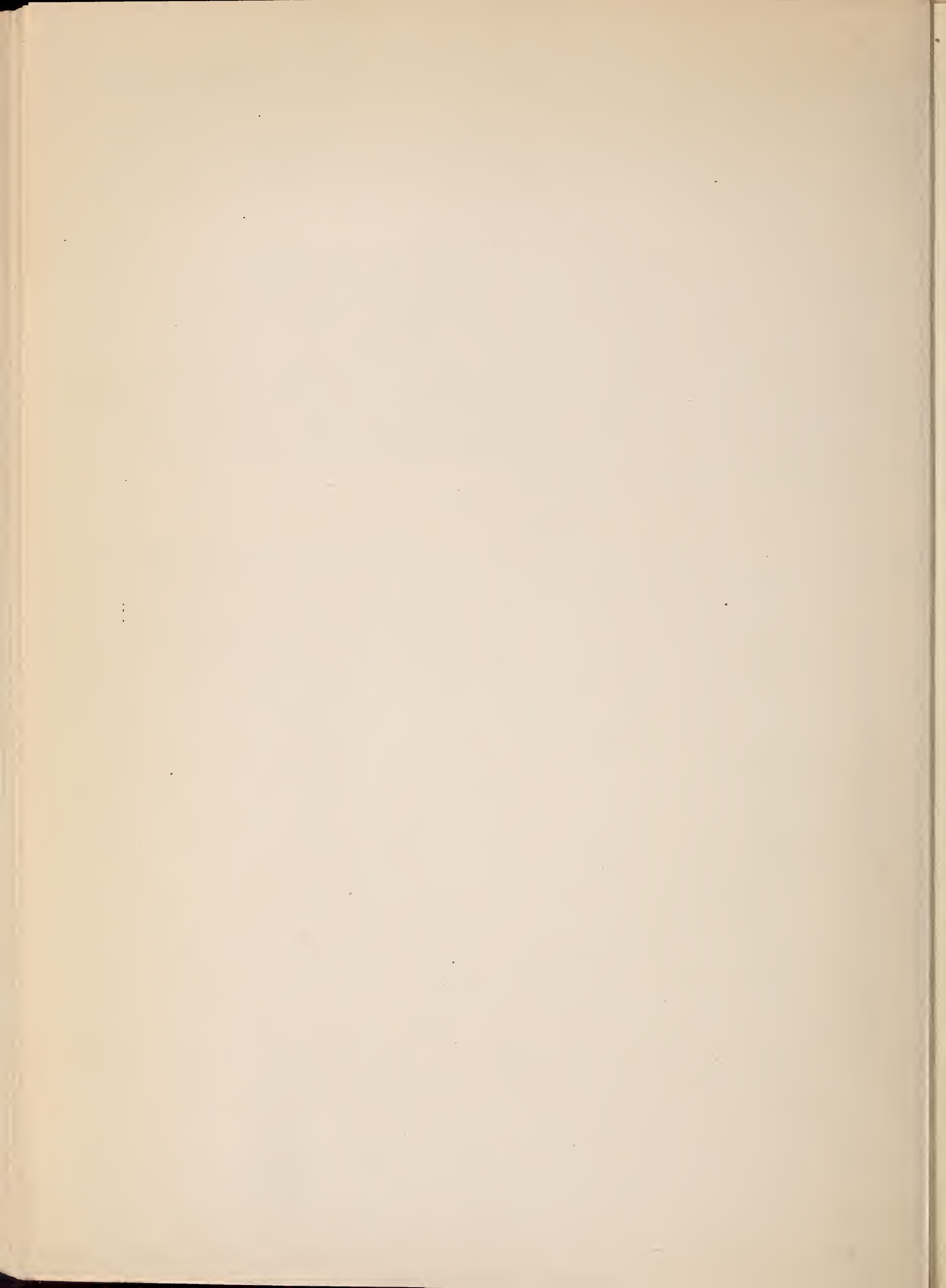
Agricultural
Conditions

A summary of agricultural conditions as chronicled in current monthly reports from various Federal Reserve districts follows:

Third district (Philadelphia) - "Crops were produced this year at costs lower than those of 1920 and of 1919, but only a little lower and it must be remembered that prices for farm products were in most cases falling during the year. Wages paid to farm labor are down not over 25 per cent, seeds were bought last spring when they were higher than they are now, fertilizer at that time was only about 10 per cent less than it was a year before, and farmers complain that hardware and farm implements are but very little cheaper. Leaving out of consideration for the present any economies which may have been adopted by the farmers, ... it is instructive to compare the above meager reductions in items of cost with the changes in the prices received by farmers for their products within the same time. Wheat, for example, which sold for \$2.27 per bushel in April, 1920, now brings 98 cents; and corn has dropped from \$1.62 to 56 cents. ... In spite of this situation, it is reported that most of the farmers will be able to finance themselves without an unusual amount of assistance this year."

Fifth district (Richmond) - "Business during October 1921 made a favorable contrast with business during October of last year. ... In October 1920 a crop holding movement, especially of cotton, was well under way, and only a limited quantity was put on the market in the face of rapidly falling prices offered for a crop that had cost more to raise than any previous one. This fall the prices have been higher than during the summer months, and with a new crop that was made very economically the growers have been selling sufficient cotton to meet their current debts, and in some cases have been making payments on obligations carried over from last fall. With the improved condition of agriculture, banks have been able to liquidate some of the frozen loans that have troubled them for so many months, and to add to their reserves and strengthen their positions."

Sixth district (Atlanta) - "It cannot be said that adverse factors in the business situation have disappeared. The small production of cotton this year, it is true, has caused a substantial increase in the price of this staple, and



this increase has resulted in much benefit not only to producers, but to business generally, in those parts of the cotton belt where crops of any appreciable size were raised. ... The increased price has had a psychological effect for good in the cities and the larger towns, but producers in many sections have not enough cotton to reap much benefit from the increased returns. More foodstuffs have been produced this year, probably, than in many years. But for this fact, however, many farmers would be obliged to ask for extension for another year of much more of the indebtedness incurred in raising the crops of this year and last, than will now be necessary." Eighth District (St. Louis) - "General business in this district during the past thirty days, while holding recent gains, failed to continue the pace of improvement set during the preceding two months. In some lines excellent progress was reported, but elsewhere there was a decided slowing down. ... The principal barrier to broader distribution of merchandise has been the radical decline in the market price of farm products, particularly wheat, corn and oats." Eleventh district (Dallas) - "Evidence is by no means lacking as to the present and potential recuperative powers of the district's chief industry, agriculture. In many sections where a fair yield of cotton and other crops has been realized debts are being wiped out and bank deposits are accumulating at a healthy rate. ... The live-stock industry is apparently making every effort to take advantage of the financial relief offered through the Government's indirect loan agencies established in the district during the past month." Twelfth district (San Francisco) - "Easier credit conditions in the district, which became apparent in September, largely as a result of the rapid and heavy marketing of agricultural products, have continued in greater degree during October."

Business Conditions

The year 1921 was described as "one of liquidation" and 1922 was forecast as "one of recuperation" by Secretary Hoover in an address at the annual convention of the United States Potters' Association at Washington, Dec. 7. Mr. Hoover expressed belief a too literal interpretation had been applied to the phrase "keep the Government out of business." When the phrase was coined, he explained, it applied to getting the Government out of the operation of railroads and ships, but there were many lines of business needing the assistance and cooperation of the Government. Export business, upon which year by year the country was becoming more dependent, he said, was primarily involved in governmental assistance and service. (Press, Dec. 8.)

Corn as Fuel

The Field for December says in an editorial based upon Secretary Wallace's statement regarding corn as fuel: "One year with another, corn will bring its highest returns when fed to live stock. However, far too many corn belt farmers have neither the live stock nor the credit to buy them. Such men must sell their corn. They must also buy coal. It's purely a question of economics. If corn figures out cheaper than coal, a farmer can better afford to burn corn than to sell corn to buy coal. There's nothing very sinful about that. We think nothing of burning trees for fuel. Yet it takes twenty years to grow a tree; a corn crop can be grown in less than six months."

Farming and Health

"The metropolitan industrial worker has one chance in eight of reaching 70 years of age, and the farmers once chance in three, according to the Building Trades Committee of the United Hospital Fund." (Press, Dec. 7.)



Farm Machinery Standardization A committee of four on standardization of farm machinery will be added to the group of committees appointed by the American Farm Bureau Federation to investigate farmers' problems and work out their solution. The committee will offer a program of development for standardizing machinery. (Chicago dispatch to press, Dec. 8.)

Future Trading Act Criticized Who's Who in the Grain Trade for Dec. 5 contains a lengthy editorial on the future trading act, which says in part: "Elsewhere in this issue will be found extracts from the petition prepared by Attorney Robbins and filed in the Federal Court in Chicago in the injunction suit to test the validity of the Tincher-Capper bill. ... Six of the seven counts against the bill will not be discussed here. They will be left to the lawyers to argue and the supreme court judges to decide. The seventh count, which is the first one named in Attorney Robbins' petition, is the one that even the laymen must see is in direct contravention of the constitution. This is the one that would force the exchanges to admit the cooperatives to membership on a preferential basis. ... If the supreme court of the United States declares any of the Tincher-Capper bill unconstitutional it will be this feature of it, because it is a direct assault upon the individual rights of members of the exchanges. These exchanges have never refused to admit the cooperatives to membership upon the same terms as every other member! But they have refused to admit them on preferential terms, and we believe that the supreme court will uphold them in their position. ... We will see whether the supreme court will permit the farm agitators to do this to the grain exchanges. We have no doubt of what the court's answer will be."

Packer Employees' Strike Legal proceedings to restrain the striking packing house workers from interfering with the operation of packing plants by picketing or molesting employees were either pending or in effect in five cities in the Middle West Dec. 7. In Chicago the first serious disorders in connection with the strike occurred last night. (Assoc. Press, Dec. 8.)

Production Limitation Chicago Journal of Commerce for Dec. 6 says in an editorial: "The Nebraska State Journal, in the center of the great trans-Mississippi corn-producing territory, suggests that if the farmers were well enough organized to put through a program by which corn raisers would use one-fourth of each crop for fuel, instead of coal, the price of the rest of his corn would double in market value, and he would save what he now spends for coal and coal freight charges. Action by southern bankers, planters and merchants to systematically reduce cotton production in order to boost the price of this necessity, and a general supervision in other industries to avoid 'overproduction' with the same selfish motive behind it, has caused the Nebraska paper to air the project. Of course, if all producers did this, as the labor unions attempted to do in order to hold up wages, there would be no gain for anybody. ... Economic results of such a policy by well organized bodies of producers would be appalling. Human selfishness could go to no greater length. But with the cotton men doing it, labor doing it, farmers doing it and coal miners doing it, what is the remedy?"

Packers' Case

Fear of the possible control by the "Big Five" packers of the South American coffee supply in the event of modification of the consent decree was expressed Dec. 6 before the interdepartmental committee, by Felix Coste, of New York, representing the National Coffee Roasters' Association. Mr. Coste declared that the large packers could easily obtain a monopoly of the coffee business in this country (Press, Dec. 7.)

Potash
Tariff

New England and the South Atlantic seaboard will be the heaviest sufferers if the Senate permits the five-year graduated duty on potash to remain in the Fordney Tariff Bill, according to Dr. Alexander E. Cance, head of the department of agricultural economics of the Massachusetts Agricultural College. Import potash at as cheap a price as it can be got and let the domestic potash producers supply the needs of communities nearest their plants is the solution Dr. Cance offers as an alternative to taxing "the American farmer approximately \$34,000,000 for the establishment of a comparatively small industry." (Press, Dec. 6.)

Section 3.

MARKET QUOTATIONS

Farm Products

Dec. 7: Wheat market weak; buying limited to profit taking by shorts. Corn had narrow range but showed considerable resistance in view of weakness in wheat. Chicago May wheat lower at \$1.11 1/4; Chicago May corn lower at 53 1/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.12; No. 2 hard winter wheat \$1.10; No. 2 mixed corn 49¢; No. 3 white oats 32 1/2¢. Average prices to farmers in Central Iowa for No. 2 mixed corn about 33¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.00 1/2¢; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market strong, bulk of sales \$6.75 to \$7. Medium and good beef steers \$6 to \$9.75; butcher cows and heifers \$3.25 to \$8.75. Fat lambs strong to 25¢ higher at \$10 to \$11.25.

City potato markets steady and slow. Western New York shipping points \$1.65 to \$1.70 f.o.b. sacked per 100 lbs. Bulk stock steady at \$1.36 to \$1.41 f.o.b. Maine points. Danish type cabbage \$40 per ton bulk f.o.b. Rochester; \$47 to \$50 f.o.b. Wisconsin points. Baldwin apples A 2 1/2 from cold storage \$7 per bbl. f.o.b. Rochester.

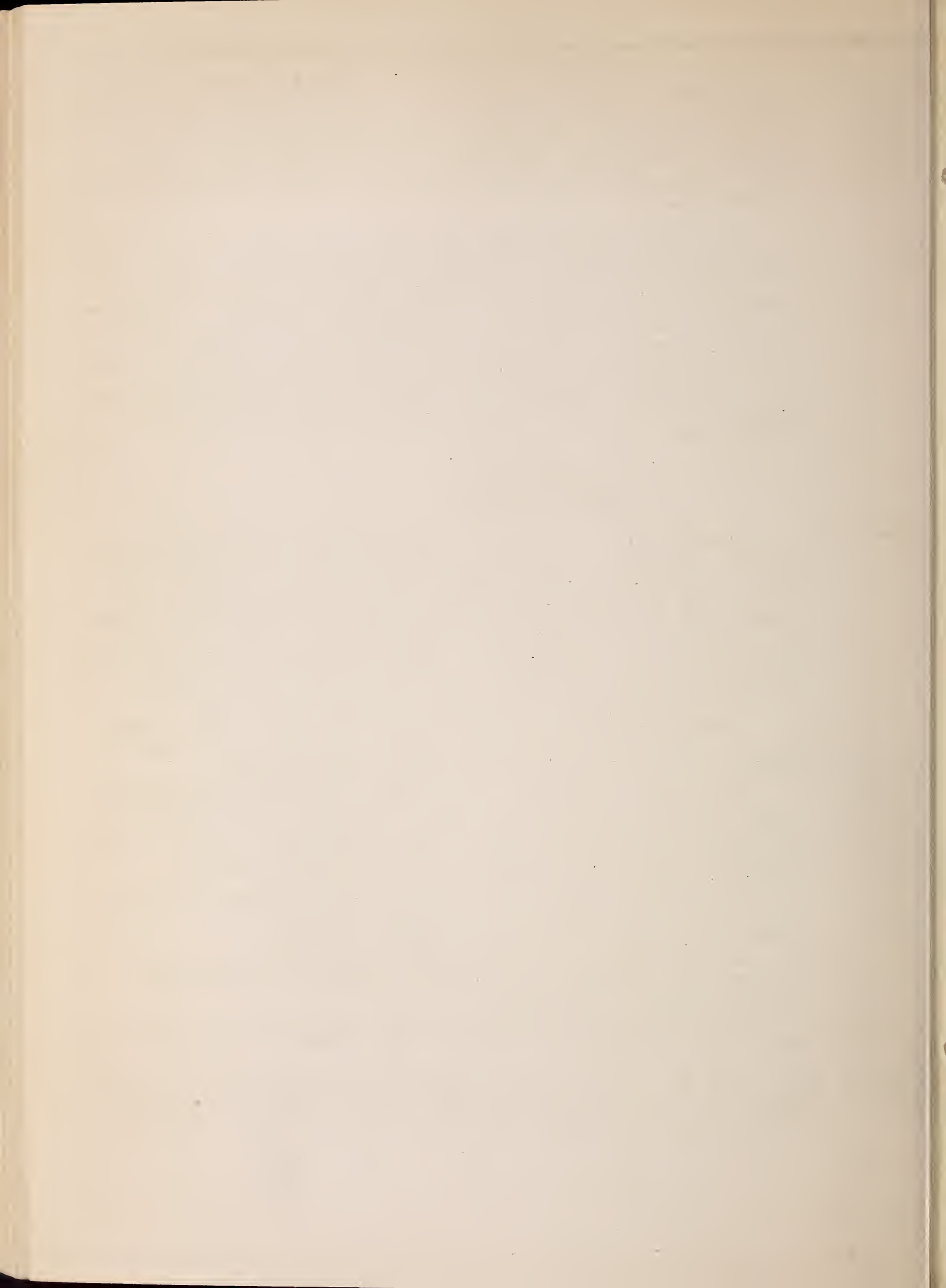
Hay markets weakening from recent strong position. Receipts not large and demand continues below normal. Offerings of wheatfeeds from mills very light; higher prices curtailing demand.

Butter markets weak account lack of buying interest. Cheese markets firm; Wisconsin prices higher. Interest in distributing markets mostly in held cheese.

Spot cotton lower at 16.90¢ per lb. New York December futures also lower at 17.21¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Dec. 7: Average closing price 20 industrials 79.36, as compared with 75.46 corresponding day 1920; average closing price 20 railroad stocks 74.60, as compared with 76.75. (Wall St. Jour., Dec. 8.)



UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 58.

Section 1.

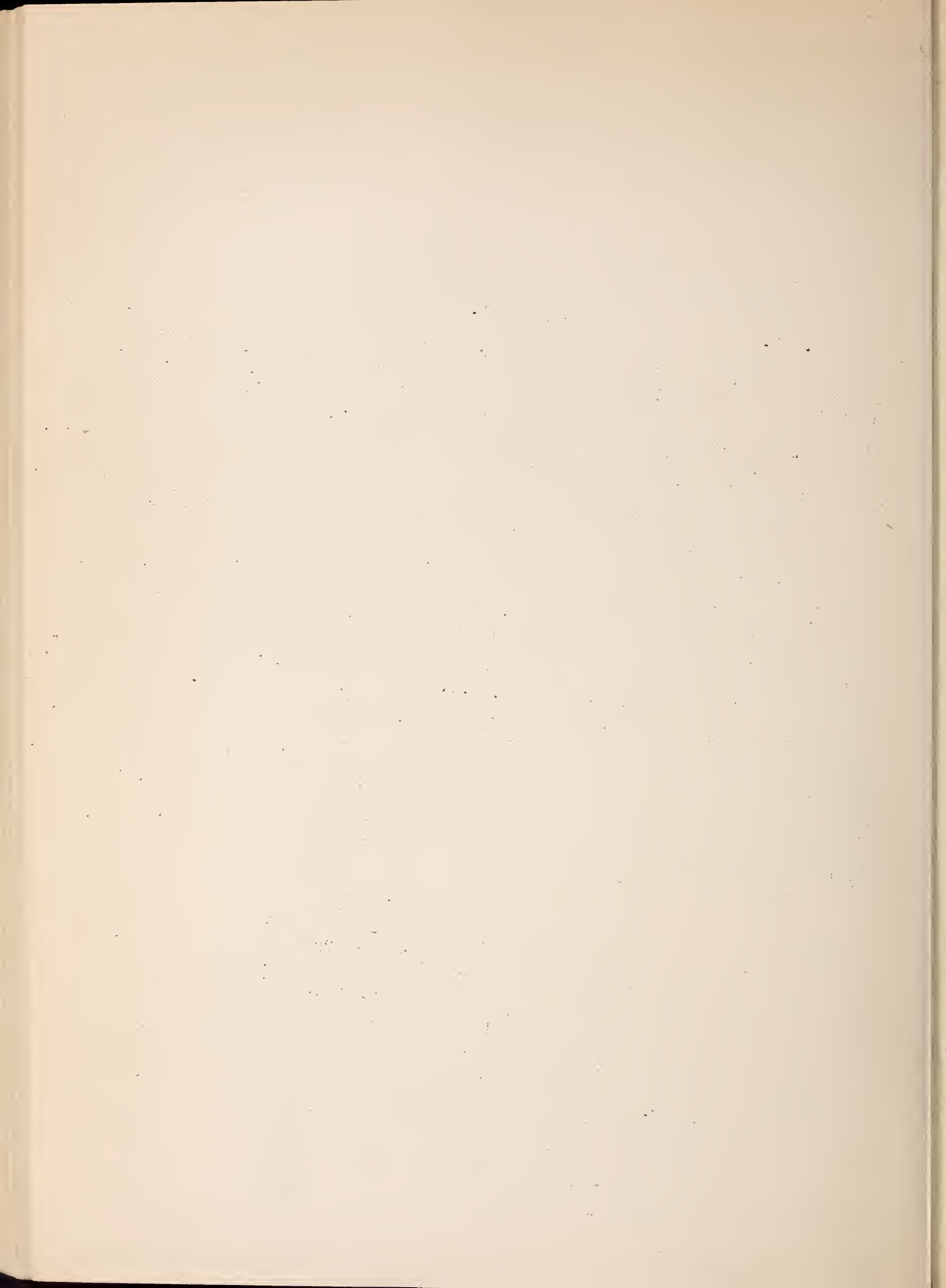
December 9, 1921.

Agricultural Bloc Criticized

John J. Weeks, Secretary of War, in an address in New York, Dec. 8, before the Association of Life Insurance Presidents decried the "bloc" system in Congress and declared that "if carried to its logical conclusion" it might divide the country "into hostile factions or groups, one class plundered by another, and the country powerless to defend or maintain its interests, national or international." Division of control among committees in Congress, Secretary Weeks asserted, had weakened party government and resulted in "special legislation not representing the action of the majority, but forcibly enacted by combinations of divergent interests." Instances of such legislation which he cited were the legislation brought about by "the agricultural bloc" and that of the income tax provisions of the finance bill. "To my mind," said Secretary Weeks, "the change has had a tendency to weaken effective government, has resulted in irresponsible legislation, prevented both parties from carrying out pledges made in their platforms and, in time, will divide the legislative branch of the Government into groups, each group championing a special cause, and we will see one group combining with another to bring about a control of legislative action in the interests of a particular faction. ... I shall not take the time to criticize the legislation Congress has enacted for the farmer," he continued. "It was brought about by a combination of members of the two great political parties which had sufficient votes to obtain the result desired. Some of this legislation may benefit those for whom it was enacted. Much of it is unsound, however, from an economical standpoint, and I very much doubt if it will be of any benefit even to the farmer. But the so-called Agricultural Bloc was in control, honestly believing, in all probability, that the legislation enacted was desirable, and that they can return to their constituencies and point out what has been done in their behalf. ..." (N. Y. Times, Dec. 9.)

"Arraigning the Bloc"

The New York Times to-day says in an editorial entitled "Arraigning the Bloc": "Where President Harding in his message to Congress was vague and restrained, Secretary Weeks is explicit and strongly condemnatory. In his address yesterday to the Life Insurance Presidents he spoke plainly of the mischief already done, and the greater mischiefs threatened, by the Agricultural Bloc in Congress. He declared that its members had not only been the chief cause of bad legislation, but were rapidly destroying "party regularity and responsibility." It is evident that if Secretary Weeks had his way the Administration would read the riot act to the bloc. ... The main question, however, is whether the Secretary of War did not speak words of truth and soberness. Can it be denied that a disruptive element within the Republican Party is taking form again as it did in 1910 and 1911 under President Taft? Its menace was then for the most part ignored by the tolerant Executive. But it presently wrecked his Administration and



split his party. Is that history to be allowed to repeat itself under President Harding? The next few weeks will tell the story. ... The bloc is heading straight for a government by groups, not by parties, and legislation by scheming and log-rolling, not by the majority in Congress. That is an evil which rises above any mere party embarrassment. If the conflict is irrepressible, the best way is to meet it before it grows too great."

Cotton Hearings Representatives of the cotton manufacturing industry Dec. 8 appealed to the Senate Finance Committee for prompt tariff action and duties higher than those in the Fordney bill on manufactured cotton products. The hearings will continue to-day. (Press, Dec. 9.)

Cotton in Tariff Bill Serious injury to the cotton textile industry in New England would result from enactment of the cotton goods schedules in the Fordney tariff bill, former Senator Henry F. Lippitt of Providence, R. I., declared Dec. 8 before the Senate Finance Committee. He described the schedules as approved by the House as the most "revolutionary" put forward under a protective policy since the signing of the first tariff bill in 1864. (Press, Dec. 9.)

Tax Revision In an editorial entitled "Mellon is Right" The Philadelphia Public Ledger for Dec. 8 says: "It is the habit and accustomed way of politics in this country to ignore the hard fact that we do not like. It is that way with the rock-ribbed facts that Secretary Mellon has put in the hands of Congress. The troublesome part about it is that Secretary Mellon is right, solidly and unshakably right. The income tax returns from the big incomes are steadily drying up. Money is hunting cover. When it gets under cover it cannot move to where it is so vitally needed to make wheels turn, lathes whirl and smoke come out of chimneys. The lofty surtaxes are beautiful things in theory, but it is a condition and not a made-to-order theory that the tax gatherer faces."

Blocs in Congress Senator Thomas, of Colorado, said in an address at the closing session of the Twenty-fifth semi-annual convention of the International Association of Garment Manufacturers, in New York, Dec. 8: "Too much reliance on the Government in matters of business is the error of the age," he added, pointing to the dangers of the "agricultural bloc" in Congress. "I regard it as one of the most serious manifestations of business in politics that has yet confronted the country," said Mr. Thomas. "It is a sinister menace, because it will inevitably be imitated with the result that we will have half a dozen blocks very soon - a labor bloc, if you please; a commercial bloc; blocks representing every interest and created by virtue of the logical necessity both of offense and defense against the greater bloc now in charge of the legislative affairs in the United States, and that means a destruction of party government, and when party government disappears from this country with its consequent responsibility of legislation we will have the result of combinations between blocks, and nobody responsible." (N. Y. Times, Dec. 9)

Packer Employees' Strike Associated Press dispatch from Chicago to press of to-day says: "While packing companies still maintained that the strike was of small consequence and not seriously affecting them, Cornelius Hayes, international president of the Amalgamated Meat Cutters and Butcher Workmen of North America, declared it had reached the 100 per cent stage."



Section 2.

Agricultural
Survey

"Agriculture Surveyed - Past, Present and Future" is the title of an article by the editor of "Business and Markets" department of The Farmer (St. Paul) appearing in the issue of this journal for Dec 3. In this the author says: "Of two things there is reasonable certainty. One is that there will be no return, so far as factors now discernible are concerned, to the prices and profits of the period from 1917 to 1919 - to \$2 corn, to \$3 wheat, to \$23 hogs, and to \$20 cattle. On the other hand, it is equally certain that the disadvantage under which the farmer labors in the markets of the world, selling his products at low prices and buying the things he must have from others at high prices, will not continue indefinitely. True, time will be required for this readjustment. Values are too far out of line to expect that the restoration of a normal balance can take place in a short period of time. But the movement seems to be in that direction even now, although individual products and short periods of time may not show it."

Cotton
Marketing

"Northern Alabama farmers are flocking into county farm bureaus because of the advantages the bureaus offer them in the marketing, grading or holding of their cotton. Expert graders tell the growers what the staple is worth, and the bureaus are in position to obtain Government funds for those who wish to hold their cotton."
(Alabama dispatch to press of Dec. 7.)

Federal
Farm Loans

George Woodruff, president of the First National Bank of Joliet, Ill., says in an article in Chicago Journal of Commerce for Dec. 7: "Experience usually brings out some defects in any new law and the operating experience of the Farm Loan System would seem to indicate that numerous small changes should be made, and in addition thereto consideration should be given to the two main reasons for the failure of the Federal Land Banks to measure up to the expectations of those who believe in a great national system of land credit. These two reasons are: First, the disinclination of the farmer to carry out the complicated procedure necessary to obtain a loan; and, Second, the failure of the Federal Land Banks to continuously market their bonds. ... The cooperation of our banks would promptly bring about the simplification of the procedure required of the farmer in quest of a loan and would provide thousands of well-equipped permanent local headquarters for the Farm Loan System. Such cooperation would also insure the services of experienced financial men, would guarantee the making of safe loans based on conservative values and would save all of the overhead costs of local associations, for the banks could handle the business without any additional expense."

Ford Plan to
Eliminate
Gold Derided

"Majority of bankers here are amused at Henry Ford's plan to end war and eliminate the use of gold in Government credit by issuing money by 'units of energy' rather than gold, and retiring the paper with the profits of such projects as the one at Muscle Shoals. ..."
(Wall St. Jour., Dec. 7.)

Freight
Rates

The hope is expressed by the Interstate Commerce Commission, in its thirty-fifth annual report to Congress, that a "substantially lower" level of railroad rates and fares will be possible with improvement in the volume of traffic following the present business depression. ... (Press, Dec. 9.)

Grain for
Russia

America must come to the relief of the famine areas of Soviet Russia with about 25,000,000 bushels of grain, or hundreds of thousands of people will starve, former Governor Goodrich of Indiana reported Dec. 6 to the Secretary of Commerce. Mr. Goodrich has just returned from a six weeks' survey of the famine area of the Lower Volga Valley, undertaken at the request of Mr. Hoover. (Jour. of Commerce, Dec. 6.)

Grain
Storage

"The discussions now going on between the governors of the various western states and Governor Miller of New York, relative to the advantage to be secured by the development of the St. Lawrence River ship canal, demonstrate very clearly the necessity for proper terminal facilities at the port of New York for the transshipment of the products of the interior to the ocean-going vessels, and especially for the handling of grain, the Harbor Advocate believes." (Jour. of Commerce, Dec. 7.)

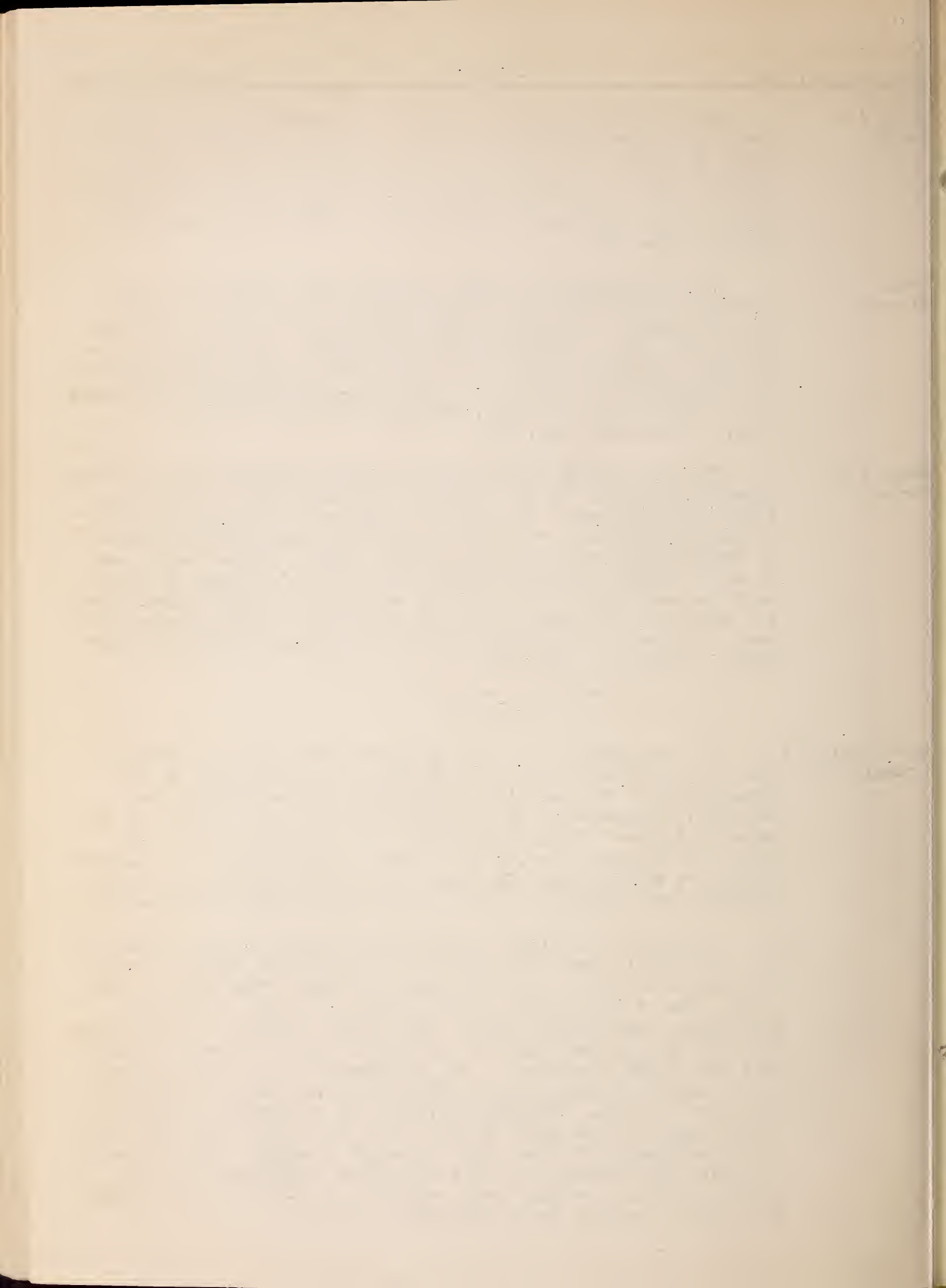
Wages for
Farmers

"That the remedy for the present cotton situation lies in better wages for farmers, was the statement made Dec. 7 by W. R. Meadows, cotton technologist of the Bureau of Markets and Crop Estimates, to leading manufacturers assembled at the 25th semi-annual convention of Garment Manufacturers, in New York. Either farmers' wages must go up or skilled industrial labor and merchants' margins of profits must decrease, Mr. Meadows told his audience. He also asserted that the armament conference and the solution of the Irish question will have an important bearing in speeding completion and readjustment." (Jour. of Commerce, Dec. 8.)

Section 3.
Department of 1.
Agriculture

Opposition to the proposed transfer of the Bureau of Markets and the Forest Service from the Department of Agriculture to the jurisdiction of the Secretary of Commerce and Secretary of the Interior, respectively, was decided upon Dec. 7 at a meeting of the National Farmers' Union. A committee was appointed to wait upon members of Congress "and, if necessary, the President," in an effort to prevent the changes. The functions of both bureaus are "purely agricultural," spokesmen for the Union insist. (Wash. Post, Dec. 9.)

2. An editorial entitled "A Diminishing Market" in Farm, Stock and Home for Dec. 1, says: "Stand on any busy corner of any large city for fifteen minutes. Count the number of horse-drawn vehicles that go by. One of the reasons of the present low prices of oats and, indirectly, other coarse grains, will become apparent. A vast market for oats that existed ten years ago in our large centers of population has almost disappeared. The Department of Agriculture figures on the number of horses in the country are misleading, as they are for those on farms. Reliable statistics of the number of horses in cities have not been kept, but that their number has decreased enormously is apparent to even the most casual observer. Farmers should recognize this condition and cut down their oats acreage to very little, if any, more than their estimated needs. There is no profit in growing a product for a diminishing market."



Department of 3.
Agriculture

"The Capper-Tincher Injunction" is the title of an editorial in American Miller for Dec. 1, which says: "The Capper-Tincher Act placing all contract markets for agricultural products under the regulation of the U. S. Department of Agriculture and placing limitations on future trading was to have become a law on Dec. 24. It was intended as an ironical Christmas gift to the grain trade, and would doubtless have been made operative on December 25, except for the fact that this year Christmas comes on Sunday. But the temporary injunction granted by the U. S. Supreme Court both restrains the Chicago Board of Trade from applying to become a 'contract market' under the law and the Secretary of Agriculture from taking action for non-compliance with the law until twenty days after the final decision of the Supreme Court. The hearing is placed for Jan. 3, 1922. The farmers don't know it yet, but the Supreme Court is safeguarding their best interests. One of the chief troubles with the grain market has been not too much speculative dealing as their leaders have told them, but too little volume of such trading to sustain prices. About the worst thing that could happen to American farmers would be the carrying out of the entire program of their short-sighted or designing leaders. And we believe farmers are more and more appreciating that fact."

Section 4.

MARKET QUOTATIONS.

Farm Products

Dec. 8: The Chicago wheat market had a strong undertone, with improved flour and cash demand. Corn was strong throughout encouraged by strength in wheat and strong cash corn market. Domestic corn demand good; country offerings lighter. Chicago May wheat higher at \$1.14; Chicago May corn higher at 54 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.15; No. 2 hard winter wheat \$1.12; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.01; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market lower, bulk of sales \$6.60 to \$6.85. Beef steers up 25¢; medium and good beef steers \$6.25 to \$10; butcher cows and heifers \$3.40 to \$8.75. Fat lambs up 25¢ at \$10.25 to \$11.65.

Potato haulings light. Sacked Round Whites \$1.65 to \$1.70 per 100 lbs. f.o.b. Western New York shipping points; \$1.50 to \$1.55 f.o.b. Michigan points. Danish type cabbage \$40 bull per ton f.o.b. western New York shipping points. Sacked Yellow Globe onions \$5.25 to \$5.40 per 100 lbs. f.o.b. Connecticut Valley points.

Hay markets have weakened somewhat from recent strong position; receipts not large and demand continues below normal. Colder weather increasing shipping inquiries in west. Feed markets firm. Bran quoted \$1 lower in Omaha. Slightly easier tendency for wheatfeeds in Kansas City on larger storage offerings.

Butter markets showed signs of steadiness. Cheese markets firm. Interest in distributing markets mostly on held cheese as fresh make is becoming more irregular in quantity and quality.

Spot cotton higher at 17.26¢ per lb. New York December futures also higher at 17.83¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Dec. 8: Average closing price 20 industrials 78.80, as compared with 74.22 corresponding day 1920; average closing price 20 railroad stocks 74.22, as compared with 75.78. (Wall St. Jour., Dec. 9.)



UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. III, no. 59.

Section 1.

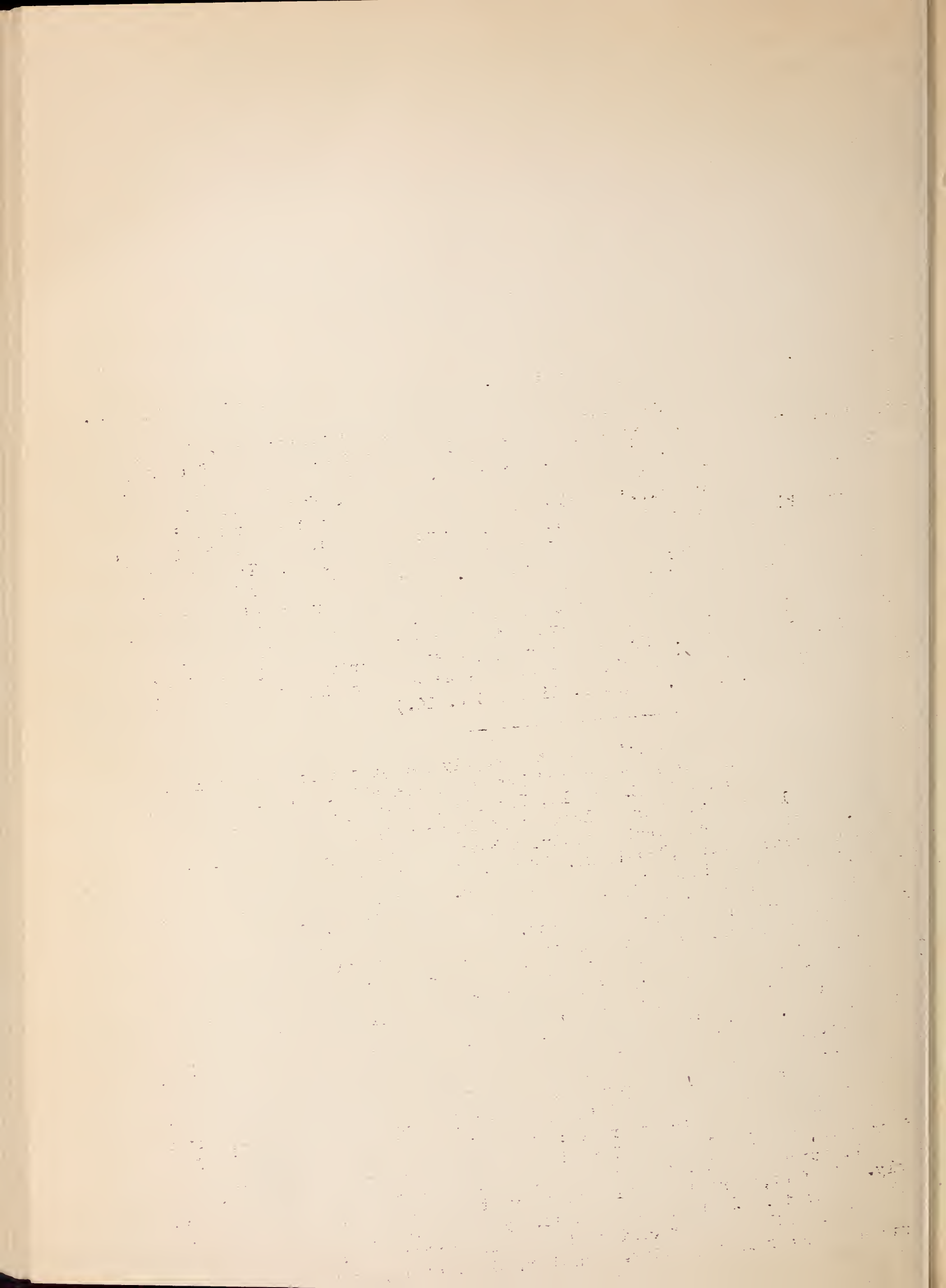
December 10, 1921.

Representative
Tincher Criticizes
Statements of
Secretary Weeks

"Secretary Weeks was severely criticized Dec. 9 in the House by Representative Tincher for his address Dec. 8 in New York, which, Mr. Tincher contended amounted 'not only to an attack on Congress, but an attack upon the President as well.' Declaring that it was a popular pastime 'when up in New York making a speech to condemn the American farmer in a roundabout way,' and that it was generally popular anywhere to condemn Congress, Mr. Tincher held that the War Secretary's criticism, going further, was a 'good sound rebuke for the President, who not only signed legislation of benefit to the farmer but refused to veto any bill even after request of any Cabinet member.' The Kansas Representative said he belonged to no bloc and that it was not necessary to belong to one in the House to get fair legislation. He said he ventured the assertion that Secretary Weeks 'stood absolutely alone' in the contention that Congress had discriminated unjustly in favor of the farmers." (N. Y. Times, Dec. 10.)

Germany's
Potash Monopoly

Germany's potash monopoly has just seized control of the American market and has wiped out all American producers, Dr. John E. Teeple, President of the New York section of the American Chemical Society, charged last night in an address at the Chemists' Club, New York. "Germany's chemical industries have declared war upon the chemical industries of the United States," said Dr. Teeple. "The German potash monopoly has already captured the potash industry of this country. It aims to destroy, root and branch, the potash producers of the United States. It has already received aid and comfort from thirty-four big American concerns. These concerns dominate the potash markets of the United States. If this unholy alliance is tolerated without protest, then no line of industry in the United States is safe from foreign conquest. I have in my possession a copy of a new form of contract framed with the devil's own ingenuity to evade all existing American laws, including the Anti-Dumping act and the Sherman Anti-Trust law. This is a contract between the Deutsches Kalisyndikat of Berlin - the official German potash monopoly and the thirty-four American distributors. The provisions of this contract, with the change of a few words, are applicable to almost any industry in the country and if this form of alliance is to be successful then there is nothing to prevent the utter wiping out of one industry after another in this country and the transfer of industrial supremacy to Germany." The contract referred to, Dr. Teeple said, "provides that the American potash mixers and distributors shall purchase not less than 75 per cent of their requirements from the German monopoly. In fact, there is nothing to prevent them from buying all of their supply from the syndicate. It is reported that, by arrangement, the French potash monopoly is to get the other 25 per cent so that nothing whatever is to be bought from any American producer in any event. Further, the fact is, that no American



producer has been able to sell any quantity of potash to any of these concerns nor to get any orders of consequence.

Dr. Teeple said that the development of the potash industry in this country, born out of a war necessity, had been satisfactory. In a short time American processes would have been able to meet the competition of the world, he said. The Germans, bent on regaining their industrial and commercial supremacy in the chemical industries, decided to destroy their American rival, Dr. Teeple charged. To accomplish this he said they resorted to systematic rate cutting. (N. Y. Times, Dec. 10.)

Farmers Chief
Borrowers on
Policies

Reflexes of present economic conditions were given in reports made Dec. 9 at the closing session of the fifteenth annual convention in New York of the Association of Life Insurance Presidents. It was shown that while the present financial readjustment is being reflected in increased borrowing by policy holders on their life insurance, the high peak of such loans that was reached in 1914 is not in sight. Farmers lead the city people by a wide margin in the percentage of borrowers. (Press, Dec. 10.)

Section 2.

Corn as Fuel 1. The Wall Street Journal, Dec. 9, says in its leading editorial: "More than one casual reader of The Wall Street Journal has written protesting against the burning of corn by farmers who find it a cheaper fuel than coal, because people are dying for want of food in Russia. Somewhat arbitrarily, they estimate the amount of corn so consumed at 25,000,000 bushels. It never seems to occur to people like this that an amount of food incalculably greater goes to waste every year. In the tropics Nature's uncultivated supply of breadfruit, yams, cocoanuts, bananas, rots upon the ground, for the reason that, in order to transport it to those who need it, an unprofitably larger supply of food and other things would need to be guaranteed to those who undertook the transport. It is true we have idle ships. But so long as land transportation is handicapped by the Adamson Act and the usefulness of an American merchant marine frustrated by the La Follette seamen's law, all that 25,000,000 bushels of corn, or its equivalent, would be consumed before it reached the interior of Russia. Where both coal and corn are necessities it does not make much difference whether we turn the corn into units of heat in one way or another - in our own alimentary furnace or in that the farmer uses to provide heat for his stock and his family. It depends on the price prevailing where the product is produced. It is an uneconomic use of corn, it is true. It does not compare in loss for a moment with the wasted heat which goes up our chimneys. To send the corn to Russia at present labor costs would be worse waste than to burn it. Nothing prevents these charitable people from moving this corn from Nebraska to Russia, at their own expense. But their charity is largely vicarious, and has only got as far as suggesting that the corn should be moved at the expense of the over-taxed and defrauded railroad stockholder."

2. "Burn Corn in Cows, Hogs and Chickens" is the title of an article by Hugh G. VanPelt in Dairy Farmer for Dec. 1. This article, based upon the statement of Secretary Wallace regarding corn as fuel, says in part: "If you can get only 20 cents per bushel for corn and you

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have to pay \$10 per ton for coal, you will just save hauling a load of corn to town and a jag of coal back home by burning the corn. Now, I am not saying you should burn your corn; that is exactly what city folks are criticizing Secretary Wallace for saying. I am just telling you facts - what you can do if you wish to; what you can profitably do if you have not developed a market for your farm crops that will pay you better than your furnace or your cook stove will. ... Those who observe; those who think clearly; those who keep their pencils sharp and figure accurately are possessed of the indisputable knowledge that over a long period of years, through times that are good and times that are bad, the man who sticks close to the cow, the sow and the hen; who uses good sires and breeds upward every generation and who cares well for his live stock is the one who succeeds."

Food Prices

Retail cost of food decreased between Oct. 15 and Nov. 15 in six of the nine principal cities from which the Department of Labor draws periodical reports. Houston, Tex., reported an increase of 1 per cent, and Newark, N. J., four-tenths of 1 per cent. In Buffalo, N. Y., there was no change indicated. The six cities representing decreases were: Cincinnati, 3 per cent; Indianapolis, Milwaukee and Portland, Me., 2 per cent, and Chicago and Omaha, 1 per cent. (Press, Dec. 10.)

Packer Employees' Strike

1. Federal and state authorities combined Dec. 9 to stop violence in connection with the stockyards strike. Four mediators - two from the U. S. Department of Labor and two representing the Illinois Industrial Commission - were sent into the stockyards district to try to restore order and bring the strike differences to deliberations between the packers and strikers. An injunction against the Meat Cutters' Union was ordered at Chicago by Judge Sullivan on petition of twenty packers, including Swift and Co. The ranks of strikers at Chicago were increased Dec. 9 by several hundred men from other unions. (Associated Press, Dec. 10.)
2. "The strike in the packing plants at points vital to the maintenance of the nation's meat supply is regarded as one of the most vital labor issues of the day, for on its outcome depends whether organized labor is to maintain its strength in this big industry, or whether the open shop movement is to gain an important addition to its growing ranks." (N. Y. Daily News Record, Dec. 9.)

Potash

"The Unsettled Potash Market" is the title of an editorial in The American Fertilizer for Dec. 3, which says in part: "The last word has not been said on the potash situation, nor will it be said soon. The Germans are strengthening themselves to hold their share of a competitive market by closing a number of shafts which have proved expensive to work. There was an enormous waste of labor and capital in the German potash mines before the war. The Alsatian mines are now fully equipped, and have enlarged their facilities for refining the crude salts. There has been some labor trouble in both countries - more serious probably in Germany - but production has not been stopped. On the other hand, potash will be used with more discrimination in this country. Experiments during the war proved we had been using more than was necessary in some cases. There will be a congestion of potash in the markets of the United States, regardless of what Congress may do with the tariff or what will become of the German mark - two things that no mortal knows."

1. The first part of the paper discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is essential for the proper management of the company's finances and for ensuring that all stakeholders are kept informed of the company's financial health.

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Reclamation
Service
Criticized

The Journal of Commerce Dec. 9 says in an editorial on the work of the Reclamation Service: "Under the original act of 1902 and subsequent legislation the Reclamation Service of the Federal Government has attained considerable proportions. That much is clear from the annual report of the Secretary of the Interior recently made public. According to this document, the areas served in 1920 aggregated about 2,845,000 irrigable acres, including 1,622,000 acres for which the Government systems furnished the sole supply of irrigation water and 1,183,000 acres to which in most cases the service furnished stored water in bulk to supplement the partial supply of private systems otherwise dependent on unregulated stream flow. Of the first class 1,224,000 acres were actually irrigated and 1,154,000 harvested. Of the other class, from less complete information it is roughly estimated that 982,000 acres were irrigated and 950,000 cropped. Thus far events have certainly not made it clear that this service possesses any great merit from a broad economic standpoint. There is as yet no definite answer - or at least there is none in this report - to the question, Are these agricultural operations on a sound competitive footing throughout? True, the law requires that users shall pay operating expenses and, further, that funds spent on construction shall be charged against the users and amortized out of funds collected from them for that purpose. To date, however, it has not been possible to comply with these provisions and Congressional leniency has been extended in the matter."

Section 3.

Department of 1.
Agriculture

"A group of the most important scientific periodicals in America have suspended publication. Uncle Sam is the publisher. The Department of Agriculture is editor. Uncle Sam, through his Congress, said not long ago: 'Quit publishing all periodicals on December 1 unless I tell you in each case specifically to continue.' Then Congress adjourned without giving anyone or any committee authority to determine which periodicals should keep on appearing. As a result some forty-one publications issued by the Government departments have suspended publication, in most cases without even the customary obituary notice. From a scientific standpoint, of those that are suspended, four Department of Agriculture publications are the most important. The Experiment Station Record; The Journal of Agricultural Research; ... Meteorology; ... Public Roads. ... Four other Department of Agriculture periodicals were doing a real service. The Weekly News Letter, circulation 125,000, kept the 106,000 collaborators and employees of the department in touch with its activities and served to take current information to those especially interested in agriculture. ... By suspending the forty-one Government periodicals, it has been estimated that from \$500,000 to \$1,000,000 will be saved each year. This is false and mistaken economy, so far as science is concerned. Science or research of any kind that is allowed to rest in the notebooks of the researcher will not travel very far. Only when scientific facts are sown broadcast on the printed page, only when they reach the fertile minds of other scientists, will they eventually bring about the maximum of improvements in methods and culture that allow the farmer to grow more and better crops and live stock. It is not inconceivable that the suspension of the quartet of periodicals mentioned will cause a much greater loss to the country than the supposed saving on all forty-one periodicals. ... "(Wash. Herald, Dec. 8.)

Department of 2. The National Stockman and Farmer for Dec. 10 says in an editorial:
 Agriculture "When the packer and stockyards control act was before Congress we pointed out one vital danger in it, namely, the precedent for Federal interference in any business anywhere, whether interstate or otherwise. Now the live-stock commission men, whose purely local business is regulated by the act, and whose charges are under control of the Secretary of Agriculture, are seeking to restrain him from enforcing such provisions of the law as do not relate to interstate commerce. We believe they are right and are performing a great public service in attempting to prevent the enforcement of those provisions of the law. For if their business can be regulated, and their rates or charges fixed, by a Federal official so may any business be regulated and its rates or prices fixed by a Federal official. The thinking men of this country do not want any such interference with private business or any precedent for it. They believe that there is too much government in business now and they are right about it. There is no excuse for virtually rescinding the old and sound principle that Federal legislation can apply only to interstate commerce."

Section 4.

MARKET QUOTATIONS.

Farm Products

Dec. 9: Wheat market narrow and unsettled but closed higher account export demand. Cash red winter premium advanced 5¢. Corn trade limited, but tone strong. Chicago May wheat higher at \$1.15; Chicago May corn unchanged at 54 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.20; No. 2 hard winter wheat \$1.14; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in Central North Dakota for No. 1 dark northern wheat \$1.04 3/4; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market strong, bulk of sales \$6.80 to \$7.15. Beef steers, fat cows and heifers and bulls mostly 15 to 25¢ higher; medium and good beef steers \$6.75 to \$10; butcher cows and heifers \$3.40 to \$8.75. Lambs steady; fat lambs \$8.25 to \$9.50.

Potato haulings very light. City markets nearly unchanged. Bulk Green Mountains steady at \$1.36 to \$1.41 per 100 lbs. f.o.b. Maine shipping points. Northern Round Whites \$1.52 to \$1.57 per 100 lbs. sacked f.o.b. Michigan points. A 2 1/2 Baldwin Apples from cold storage \$7 per bbl. f.o.b. western New York points. Sacked Yellow Globe onions \$5.25 to \$5.35 per 100 lbs. f.o.b. Massachusetts shipping points.

Hay market generally easier because of indifferent demand. Prices lower at New York. Other markets practically unchanged but have downward tendency, except at Cincinnati where shipping demand has improved. Feed markets inactive.

Butter markets firm, but markets are not in line with each other and further price changes are likely. Cheese markets firm. Interest in distributing markets mostly on held cheese.

Spot cotton prices unchanged at 17.26¢ per lb. New York December futures down 3 points at 17.80¢. (Prepared by Bur. of Mkts. & Crop Est)

Industrials and Railroads

Dec. 9: Average closing price 20 industrials 79.60, as compared with 73.29 corresponding day 1920; average closing price 20 railroad stocks 74.35, as compared with 74.73. (Wall St. Jour., Dec. 10.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 60.

Section I.

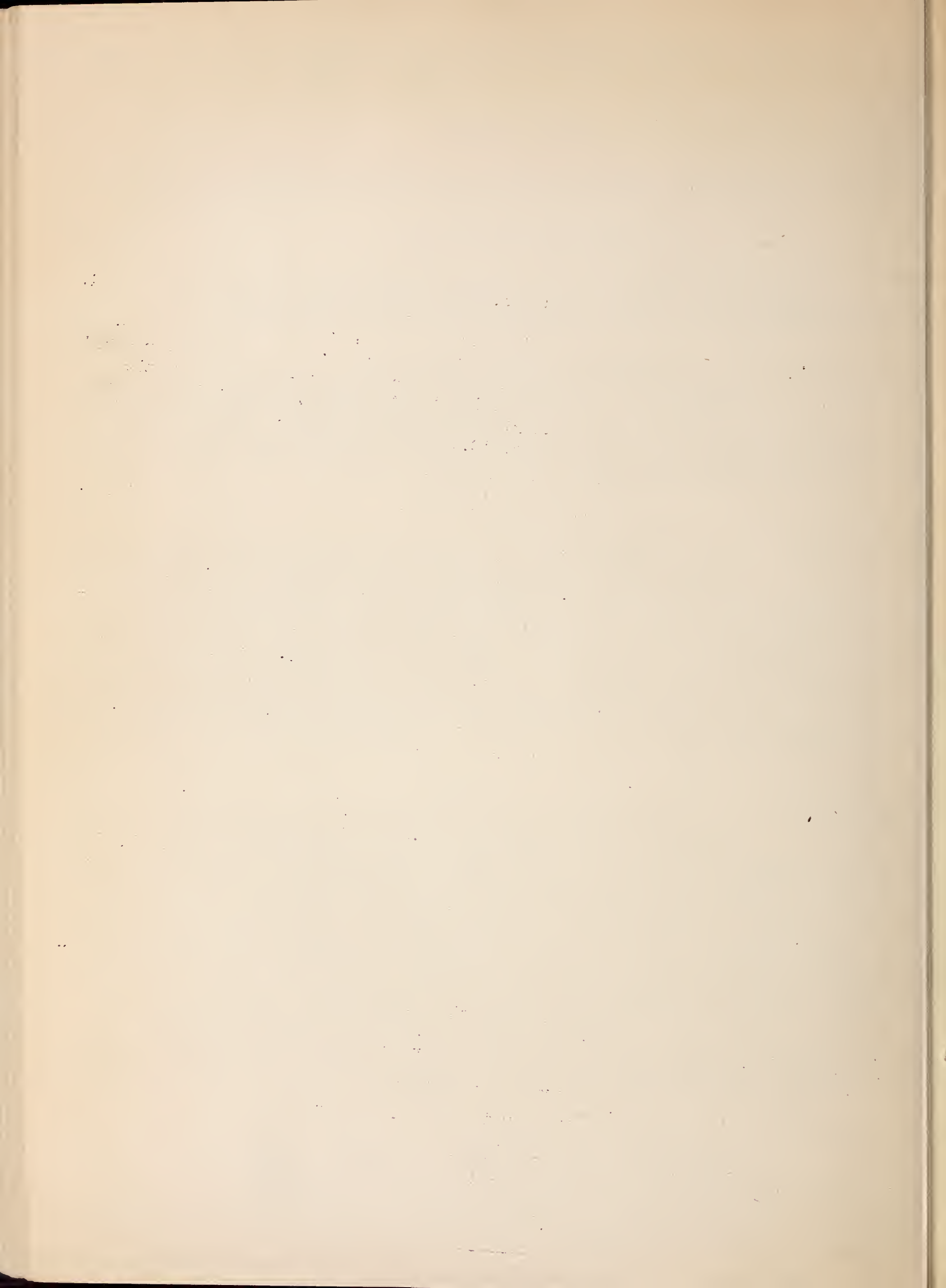
December 12, 1921.

Bankers Desire to Aid Administration The American Bankers Association, represented by its administrative committee and its four commission chairmen, reached Washington last night for a three-day visit. While here the committee will call upon President Harding, cabinet members and other department heads to ask how the American banker can best aid the Government and to offer full cooperation. (Press, Dec. 12.)

Economic Conference Urged The governing board of the General Committee on the Limitation of Armament Dec. 11 made public proposal that the administration call an international economic conference to remove "economic barriers and consequent misunderstandings such as in the past have led to war." Proponents of the movement urge it as a step vital to the commercial and industrial relations of all nations at the present arms conference. The General Committee on the Limitation of Armament is a citizens' body, with Samuel Gompers and Oscar S. Straus as honorary chairmen. Among its governing board of thirty members, representatives of every phase of national life, are George W. Norris, Morris L. Cooke, Otto T. Mallory and Dr. M. Carey Thomas, of Philadelphia, and Mrs. Gifford Pinchot. (Press, Dec. 12.)

International Financing Frank Vanderlip explains his plan for handling the European debt in an article appearing in The Washington Star, Dec. 11. In this he says: "That plan, briefly, suggested that the payment to us by the allies of the interest, and gradually the principal, of what they owe would probably not only be an impossible drain upon their resources, but so far as they did pay it would disorganize our industrial affairs, because payment would have to be made in goods. To avoid the danger of ruining our debtors and harming ourselves, it was suggested that for a time the interest payments be devoted to the rehabilitation of Europe, expended under our direction. There would be no relation between the source of the payment and the place of expenditure. Much of the expenditure would be in the form of revolving credits and would result in replacing allied obligation with obligations of other governments, but with the further specific security of the railway, grain warehouse, hydroelectric plant or other work that had been undertaken."

Freight Rates The railroad petition for rehearing of the Western grain rate cases, in which an average of $16\frac{1}{2}$ per cent reduction recently was granted, was allowed by the Interstate Commerce Commission Dec. 9 to go to hearing Dec. 14. The order for the reduction remains in effect, the commission said. Under the latest decisions the railroads were required to put the rate in force on or before Dec. 16. (Press, Dec. 12.)



Civil Service Commission Report

In its annual report to the President, made public Dec. 11, the U. S. Civil Service Commission says, regarding the extension of the competitive examination system to the higher positions:

"The classified service should be extended to include positions, with few exceptions, which do not involve the determination of administrative policies and which are part of the permanent operating force of the Government, thereby making them available as rewards for exceptional talent developed within the service, and also utilizing valuable experience acquired in the lower grades. ... Heads of bureaus and local offices are appointed from the outside without expert knowledge and rarely serve more than two or three years, when they give place to others equally inexperienced. A wider application of the principle of filling the higher administrative positions, now unclassified, by the promotion of classified employes would be distinctly in the interest of efficiency, stability, and higher standards in the personnel of the service."

Government as Employer

An editorial in to-day's Washington Post, based upon the Civil Service report, says: "Business has a keen scent, and it tracks down its man and lures him to its own service just at the time when the display of his abilities has shown that he is about to become of greatest value to the Government. The drift of personnel from an official to a business career is at some periods stronger and more noticeable than at others, but the outlet is generally wide open and is never closed up. It is unnecessary to point out how undesirable, from a public point of view, such a leakage is. If the Government were a wise and farsseeing employer, it would hold out such inducements to those who enter its service that the tendency to slip away from it would be scarcely, if at all, existent and the exodus of its best and brainiest officers would be stopped or greatly checked. The annual report of the civil service commission, just published, emphasizes the danger which threatens the public service because of this continuous drain on its human resources. ..."

Section 2.

Agricultural Financing

The War Finance Corporation announces that, from December 5 to December 9, inclusive, it approved 256 advances, aggregating \$13,280,000 for agricultural and live-stock purposes, in California, Colorado, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Minnesota, Missouri, Montana, New Mexico, Nebraska, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Utah, Virginia, Wisconsin, and Wyoming. (W. F. C. press statement, Dec. 12.)

Business Conditions

1. The Federal Reserve Bulletin for December says in its monthly review: "Improvement in business conditions in November has not been as pronounced as during the preceding three months. Several factors are responsible for this relative 'slowing down.' The season peak of demand has, for the time being, been reached and passed. Uncertainty regarding prices of staples, especially of cotton, has interfered somewhat with trade buying, while the possibility of further reductions of freight rates has apparently tended to unsettle prices and to retard the activity of industry in some of the chief manufacturing sections. ... Nevertheless, the progress toward normal conditions achieved during November has been continuous, as may be seen by a comparison with the corresponding month a year ago, or with the general movement of economic conditions since the beginning of this year. Cotton and woolen textiles in some of the principal producing districts are almost

on a normal basis. ... Export trade continues in substantial volume, showing an increase during October, and while laboring under many handicaps due to unsettled exchanges, shows the result of strong foreign demand, especially for staples. This is particularly noteworthy when it is remembered that the prices at which cotton and cereals are now being shipped are so much lower than those of a year ago. ... Reduction of prices for cereals and failure of cotton to maintain the level attained in September-October have proves a serious handicap to farming interests. Results of this relatively low return for output have been a reduction in the demand of farming communities in some parts of the country for consumable goods and a simultaneous tendency to check somewhat the process of liquidating loans at banks. ... "

Business Conditions

2. The current monthly review of business conditions in the Seventh Federal Reserve District (Chicago) says: "Particular interest in the Seventh Federal Reserve District, from a credit standpoint, centers in the agricultural section of the district. Industrial liquidation has been largely completed, and losses taken, with the industries gradually recovering. In the agricultural parts, recovery has been very slow, owing to the drop in prices of farm products and the inability to liquidate debts under present conditions. Reports indicate that there is a need for more funds for financing agricultural and live-stock production."

Cooperative Marketing

The current monthly review of business conditions in the Fourth Federal Reserve District (Cleveland) says: "Close students of the situation see salvation for the farmer in organization for the purpose of marketing his product, without being at the beck and call of those who are out with no other end in view than making profit at his expense. However, it is well to remember that organization cannot hold all the winning cards. The result of organization carried too far may well be an object lesson."

Cotton

The Wall Street Journal, Dec. 10, says in an editorial based upon the statements of W. R. Meadows, Cotton Technologist of the Department, before the International Garment Manufacturers, in New York, Dec. 7: "There are two alternatives before manufacturers and consumers of cotton in the future. They are, either to pay the producer more or to use less cotton. The latter is becoming impossible, and therefore the former must be accepted. ... Cotton consumption must, of course, depend upon business confidence. The Irish settlement and the arms conference give hope of conditions that will call for more cotton than the 12,300,000 bales estimated by Mr. Meadows. But even if no more than that is used, the world will be practically bare of American cotton when next season opens. What the farmers will do next season is matter of conjecture, but from the experience of last year, they are likely to reduce the acreage and raise more of other crops. ... Thousands of acres of cotton on average yielding soils were abandoned to the weevils last summer, because, as the owners said to The Wall Street Journal, the cotton, at present prices, would sell for less than the cost of raising it. When large land owners, not small croppers, deliberately abandon a crop in midsummer because they cannot afford to save it, the consuming world must see and acknowledge the changed conditions. Cotton can be raised - at a price. But cheap cotton can no longer be produced. ..."

Grain
Corporation
Revival
Sought

Legislation to revive the United States Grain Corporation, with a Government guarantee of probably \$2.50 a bushel for wheat, will be asked of the present session of Congress, it was announced Dec. 10 by the Farmers' National Council. (Press, Dec. 11.)

National
Farmers'
Union Reso-
lutions

The recent annual convention of the National Farmers' Union asked that the Federal Reserve Act be amended to require Federal Reserve banks to rediscount farm paper with maturity of twelve months and that Federal Land Banks be authorized to make loans for one to three years. Further resolutions say: "We recommend that the War Finance Corporation be converted into a permanent financial agency, conditional that it be used for the service of agriculture; we recommend the organization of cooperative agricultural banks." Representation of agriculture on the Federal Reserve Board is demanded. ... "We demand the absolute separation of the agricultural colleges, the agricultural extension service, and the Department of Agriculture from the activities of the American Farm Bureau Federation, and we also protest the use of federal or state funds in the interest of the American Farm Bureau Federation, or (and) other purely private associations or organizations." (The Oklahoma Farmer, Dec. 10.)

Packer
Employees'
Strike

The strike of packing-house employees throughout the country cannot be settled by arbitration, Arthur Meeker, vice president of Armour & Co., declared Dec. 10, in a statement outlining the present situation in the country's stockyards. Mr. Meeker declared that the packers had a good understanding with their employees over wages through the employee representation plan recently instituted, and that consequently there were no differences between the packers and their men. (Assoc. Press, Dec. 11.)

Section 3.

Department of
Agriculture

1. "A Poor Guess" is the title of an editorial in the National Stockman and Farmer for Dec. 10, which says: "One of the most useful services performed by the Bureau of Markets and Crop Estimates is to calculate and announce monthly the amounts of butter, eggs and cheese in storage, for the purpose of eliminating guesswork and enabling these products to pass more cheaply from the producer to the consumer. But it would seem that this elimination of guesswork is sometimes more apparent than real. Last month's estimate was corrected about two weeks later by the Bureau. On eggs alone it was reduced to the extent of 313,000 cases out of a total of around 1,964,000. A Chicago trade organization is now telling the world that the Bureau better get out of the estimating business unless it can come nearer to the bull's-eye - and it's right. But this activity is too valuable to be lost; the errors and not the work itself must and can be eliminated."

2. In a review of the recent International Livestock Exposition at Chicago, The National Provisioner for Dec. 3 says: "The U. S. Department of Agriculture had a very attractive and important exhibit showing, ... first the great value of meat animals in using materials that would otherwise go to waste, and, second, a practical lesson in meat and meat cuts. ... This was all by way of cooperation as a part of the 'eat more meat' campaign that is in progress."

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Section 4.

MARKET QUOTATIONS.

Farm Products

During the week ended Dec. 10 wheat and corn prices made net declines; lack of support and rains in drouth areas main depressing factors. There was an advance on the 8th and 9th on renewal of export demand and report of improved flour and cash demand in Northwest. Minneapolis May wheat closed at \$1.21 1/2; Kansas City May wheat \$1.07; Winnipeg May wheat \$1.09 1/4.

Chicago hog prices ranged 20 to 65¢ higher per 100 lbs. during the week; light hogs advancing most. Beef steers were steady to 25¢ higher. Feeder steers strong to 25¢ higher. Fat lambs and yearlings advanced 75¢ to \$1.25; fat ewes up generally 75¢. Feeder lambs up 25 to 35¢.

Potato shipping points strengthened. New York Round Whites weaker in New York City at \$2 to \$2.10 bulk per 100 lbs; sacked stock up 10¢ in other markets. Cabbage markets were steady to strong under decreasing arrivals. Apple arrivals in city markets lighter; prices unsettled. Eastern yellow onions steady in most city markets at \$5.50 to \$5.75 per 100 lbs. sack.

The butter markets were unsettled with fluctuating prices, but the tone at close was steady to firm. Accumulation's mostly of medium grades. Storage reductions heavy. Importations light. Cheese markets showed slightly more activity, with a general feeling of confidence prevailing. Production shrinking in important producing sections; some factories closed for the winter.

Hay market generally easier account indifferent demand; prices lower at New York; other markets practically unchanged but have downward tendency. Feed markets inactive. About 10,000 tons of bran in Buffalo warehouses unsold, with ample supplies of middlings. Light offerings of wheatfeeds for immediate shipment by flour mills. Production corn feeds good.

Spot cotton advanced 23 points during the week; New York December future up 39 points.

Dec. 10: Chicago wheat prices declined on lack of support. Milling demand slow. Corn market depressed by weakness in cash market; country offerings to arrive light. Chicago May wheat closed lower at \$1.14 1/2; Chicago May corn lower at 54¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.19; No. 2 hard winter wheat \$1.13; No. 2 mixed corn 50¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.05 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 90¢. -- Chicago hog market higher, bulk of sales \$7 to \$7.40. Cattle and sheep practically unchanged: Medium and good beef steers \$6.80 to \$7.15; butcher cows and heifers \$6.75 to \$10; light and medium weight veal calves \$4.75 to \$6.60; fat lambs \$10.50 to \$11.55. -- Potato markets nearly steady, movement moderate. Bulk Green Mountains at Maine shipping points \$1.36 to \$1.41 f.o.b. per 100 lbs. Sacked Round Whites western New York \$1.70 to \$1.75. New York Baldwin apples A 2 1/2 from cold storage \$7 f.o.b. shipping points. Bulk Danish cabbage \$40 f.o.b. western New York; \$47 to \$50 at Wisconsin points. Massachusetts Yellow onions \$5.25 per 100 lbs. sacked f.o.b. -- Spot cotton higher at 17.31¢ per lb. New York December future also higher at 17.91¢. (Prepared by Bur. of Mkts. & Crop Est.)

